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The Cost of Idleness

Every piece of office equipment that is not at work is wasting your money

12

By THOMAS DIXON

THE idler is probably the greatest curse of modern business. Not only does he waste his own time, but, so intimately dependent upon each other are the various units of modern organisations, that he may cause delay in half a dozen departments and waste of time costing many times his own salary.

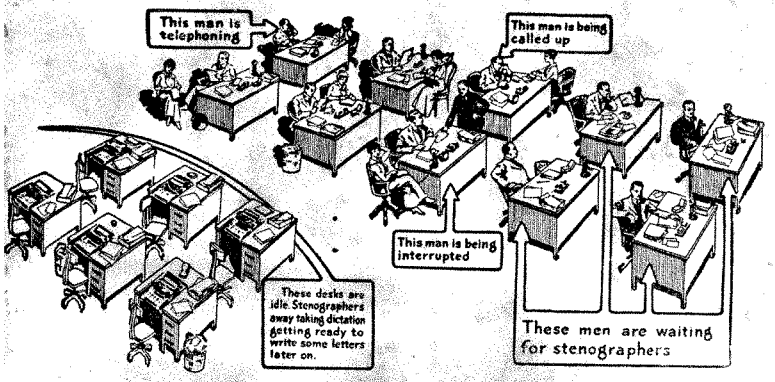
And, just like the idler, the supernuous worker represents capital that s not earning a dividend. If you have wo typists where one would be sufficient, one of the two must be idle, and the salary you pay her represents so much capital that is earning nothing for you. It is sheer waste.

But it is not only the human idler that wastes money. Idle machinery or equipment, down to the very chairs and desks in your office, represents capital that is earning nothing: it is a dead load on your business. *To get the full value of machinery or human labour you must keep it fully employed on production.* If it is not so employed, be sure it is wasting your money.

The idleness of a machine that cost, say, £10,000 would be very quickly noticed: the laziness of a clerk or a workman is soon detected and punished. How many people, however, give a thought to the enormous sums wasted in the aggregate by much smaller and less pretentious articles of office equipment? How many business men, seeing a typist's desk unoccupied and her machine idle, would stop to inquire the reason? Yet if they did so, they would probably find a way of saving money. *The typist ought to be typing all the time during office hours.* If she is not, time and money are being wasted somewhere.

When you have the opportunity—possibly your own office will furnish it—take a glance at the correspondence department of a firm employing, say, six or eight shorthand typists. How many of them will you find at work on actual productive typing?

Four or five, perhaps all, will be away "taking dictation." In other and more accurate words, they will be sitting with their chiefs, notebooks and pencils ready, to take down his letters in shorthand before transcribing them on the typewriter. Some of the chiefs will be constantly interrupted by callers or the telephone; some will be pondering over what they want to say; some, perhaps, will be waiting impatiently until a shorthand writer is disengaged.



This is the office where The Dictaphone is not used.

In the meantime some of the typists will be sitting idle, while the chiefs are not actually dictating, wasting time and wasting money. And all the time their desks and typewriters are idle and unoccupied, contributing nothing to the day's output, and representing so much unproductive capital.

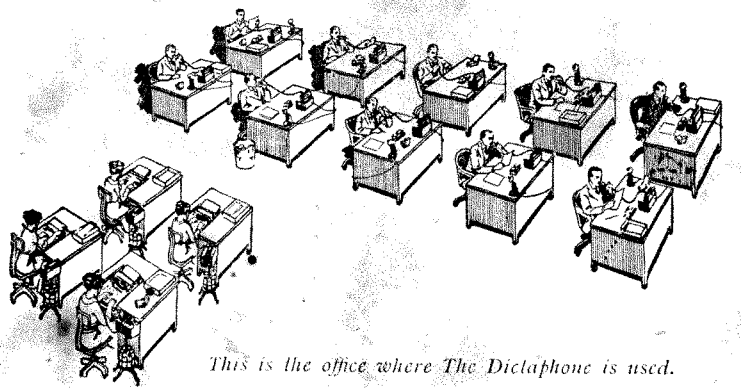
"take dictation"; she wastes no time sitting idle until her chief is ready to dictate. The Dictaphone, speedy, accurate, always ready, takes care of the purely mechanical work of taking down dictation, and the typist is freed for her proper work of productive typing. She does nothing else; none of her time is wasted on superfluous shorthand symbols which represent probably one-third of her working day. And she keeps her desk and her typewriter fully occupied at productive work, saving money all the time instead of wasting it in idleness.

No longer are the chiefs compelled to wait, when they want to dictate, until a typist is free; no longer are they compelled to keep the speed of dictation down to the capacity of the shorthand writer. They dictate when they like, as fast as they like, getting through their work with a speed, ease and certainty which under the shorthand system are simply unattainable.

That is why thousands of firms large and small, use the Dictaphone. Some of them have as many as 100 Dictaphones in use; some have only two. In the large or the small office the Dictaphone is equally a great economiser of time and money.

Stop writing your letters twice—once in shorthand and once on the typewriter. Let the men who dictate dictate when they want to. Don't let the girls waste time taking dictation or waiting to take it; keep them busy producing work that pays.

Fill up those empty desks; keep those idle typewriters busy. Make them all work for you; make the capital they represent earn the money it should.



This is the office where The Dictaphone is used.

This is no fancy picture. It is the actual, daily experience. *Don't blame the chiefs or the typists; blame the system that makes such a condition of things inevitable.*

How different the scene in the office where the Dictaphone is in use? There no typist is interrupted to

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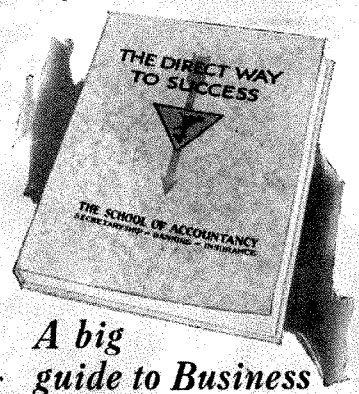

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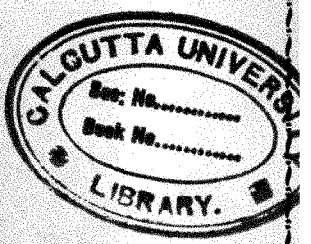

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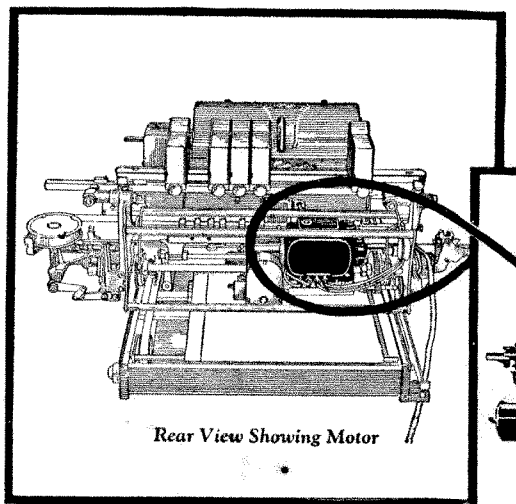
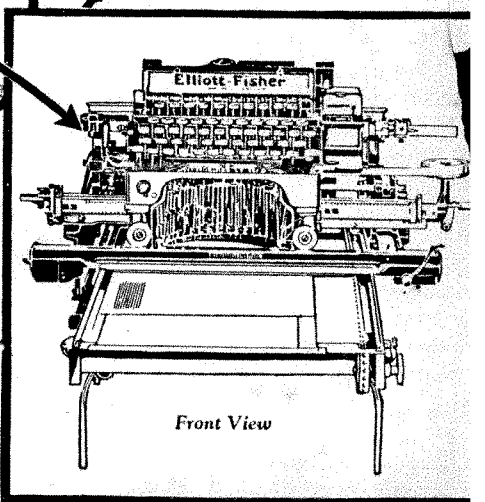


Rear View Showing Motor

Quickly, quietly, the motor on the new Elliott-Fisher sends the carriage gliding back and forth over the flat writing surface. All the operator does is strike the keys.



Front View

Some Elliott-Fisher Automatic Features.

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2. Automatic Carriage Return Forward and Back
3. Automatic Line Spacing
4. Automatic Circuit Breaker
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Editorial Notes.

BUSINESS Organisation and Management, as announced on p. 5, have found a new home. This has been forced upon us by the demands of expanding business. We desire to thank our many friends who have assisted in producing this satisfactory state of affairs. The proprietors, Business Organisation, Ltd., who acquired possession in May last, have been justified many times over in the policy declared in the first issue. Congratulations have been received from the most unexpected quarters, often accompanied in very practical fashion by the renewal of a lapsed subscription, or the doubling of an existing one.

From the most remote corners of the earth has come the voice of approval; here a lonely soul doing outpost duty for the Empire; there one of the Empire's children, expressing himself in indifferent English, but equally sincere. From Japan; India; the States of North and South America; Asia; Russia; from under the Southern Cross and nearer home the countries of Europe has come both the increased demand, and the endorsement of the forward action of Business Organisation and Management. We should indeed be less than human, if we felt no pride, but concurrently with it comes the feeling of an increased responsibility, and not to our readers

only. It extends to those who advertise with us, and includes those who buy as a result. This journal will never consciously lend itself to anything savouring of the slightest misrepresentation, but on the other hand will endeavour in every possible way to serve the interests of both advertisers and buyers. Considerable developments are afoot in this connection, but in the words of the apostle, "Ye cannot bear them now."

Next month's issue will introduce a new feature, providing for a section of staffs that hitherto has received scant attention. It will be—oh no, not quite, you must "wait and see." We have no intention of resting upon either our laurels or our oars, and this development is just a small part of the whole, which will gradually unfold itself to the benefit of all our friends. Comments upon, and suggestions for improvement will be welcomed, from whatever quarter they may come.

* * *

The Coming Trade Revival.

THERE seems little doubt that but for the Coal Strike we should now be in the midst of a pretty considerable trade revival, and even now the prospects of early recovery are bright—provided always that the anxiously awaited settlement is not unduly delayed. One promising indication of the trend of trade is the fact that according to the latest railway statistics issued by the Ministry of Transport, whereas the total decrease in railway receipts for the year to date amounts to £19,000,000, the tonnage of general goods shows a relatively small decrease. This is confirmed by Sir Felix Pole, general manager of the Great Western, who has pointed out that judging by the tonnage of general merchandise passing over the G.W. system, the hopes of a trade revival were by no means unfounded.

* * *

Be Ready.

THE steel industry is reported to be full of orders; motor-car manufacturers, particularly those producing commercial vehicles, are doing very well just now; in shipbuilding important new contracts have been announced during the last few days; while the electrical industry has for some time been enjoying considerable prosperity. It is our considered opinion that immediately on the settlement of the Coal Strike trade will revive with a rush, and those merchants, wholesalers, factors, and retailers who are now buying from hand to mouth and carrying minimum stocks will not be well placed to take the fullest advantage of it.

The Ghosts of Industry.

THERE is no more persistent advocate of the spirit of goodwill in industry than Sir Harold Bowden, the chairman and managing director of the Raleigh Cycle Co., and what is more, in his immense works at Nottingham he practices what he preaches. More power to his elbow! Speaking at the Nottingham Rotary Club last month he likened Industry to-day to a haunted house, full of ghosts and bogies. There were the ghosts of Karl Marx and of the Chartists, and the bogies of the hard-cased dictators of a century ago, who ruled their men by fear of starvation. The curse of British industrial life, he said, was that a smoke pall of distrust and suspicion had overclouded all relations of masters and men. It was the employers who must give a lead which the men through their natural leaders, not their professional leaders, must be ready to follow. The marriage tie was not more close than the links which bound employers and employed, and the sooner they realised that they had got to live together and to make the best of it the better for both parties.

* * *

A Call to Service.

IN this struggle to revive the spirit of goodwill in British industry every man of decent instincts will feel that he has an individual call to service. When times are hard, as they are at present, owing to the operation of economic laws which cannot be ignored with impunity, even by Governments, it is his duty to lighten and share the burden wherever possible, and by example and precept alike to do his utmost to restore the conditions which mean increased prosperity for us all.

* * *

The Oncoming Electric Age.

ELECTRICALLY, we are a very backward nation as compared with America and some of our European competitors, but there are signs that this leeway will be more than made up during the next few years. Big electrical developments are pending, and when the Electricity Bill becomes law, and the various smaller electric stations gradually give way to a few huge power stations capable of supplying cheap current over a very wide area, the nascent boom in the industry will be hard to control.

* * *

British Manufacturers Prepared.

FOR these impending developments the electrical industry, which has for many years set an example in the effective use of co-

operative publicity, is already well prepared. A sign of the times is the fact that the British Electrical Development Association has recently launched a campaign to popularise the use of electricity in the home. It is stated that of about 7,000,000 homes within the reach of existing supplies only about a million and a quarter have adopted electric light and power in any form. Their programme, on a scale proportionate to the object in view, includes a ballot competition and prizes, the first of which is a freehold house, electrically equipped, local exhibitions, meetings, and lectures. Meanwhile, electrical manufacturers in this special branch of the industry have little to complain of, and over a thousand new full-sized cookers, all of British manufacture, are being put into service every week.

* * *

Henry Ford's Industrial Gospel.

THE Ford car may not be to everybody's taste, and it has little in common with the traditional British love of the individual and distinctive product, but one cannot withhold a tribute of admiration for the personality of its inventor. The Ford story is a real business romance, and as it is told by Henry Ford himself in "To-Day and To-Morrow" (Heinemann, 12s. 6d.) it rings true. Just at this time, when we are struggling out of the trough of an unparalleled depression, hamstrung with debt and hampered by paralysing strikes, the book has a message of real optimism for the British manufacturer.

> The way to check a threatened depression is to cut the price and increase the wage. High wages with high prices do not help anyone—it just means that everything has been marked up.
>
> The right price is not what the traffic will bear. The right wage is not the lowest sum a man will work for. The right price is the lowest an article can be steadily sold for. The right wage is the highest wage the employer can steadily pay.

This is the essence of Henry Ford's industrial gospel, and whether it would pay in this country where basic conditions are so different may be doubtful, but there can be no question whatever that it pays in America. Last year the minimum wage to Ford employees was raised from five to six dollars a day, though the cars are sold at 40 per cent. less than they were in 1914, when the wage was barely over 2 dollars a day.

The book is full of pithy aphorisms and reflects a refreshingly individual point of view.

* * *

The British Ford.

MEANWHILE, we have a Ford in British industry who bids fair to rival the achievements of his American namesake, and who, equally, is giving his business associates and competitors "furiously to think." Mr. R. Charles Ford is the founder of a natural silk-spinning firm at Low Bentham, Yorks., which employs 160 persons, and on Saturday, the 18th September, at Leeds, he tremendously impressed a week-end conference of the Labour Co-partnership Association with a description of the scheme of democratic finance under which his firm is conducted.

* * *

Democratic Finance in Practice.

MR. FORD believes that "every worker has an inherent right to take a greater share in the product he produces than his mere wages." Acting on this conviction, in 1917 he disclosed to 20 leading employees every detail of the profits of the business and their distribution —a confidence which had never been betrayed— and put into operation a scheme described in the *Times* report as follows:

> Hours were cut from 55 to 44, although all the firm's competitors were working 48 hours. Machinery was "speeded up" and production had reached with 8 per cent. of what it was with 55 hours, despite prolonged spells of bad trade. Saturdays were not worked at all.
>
> Six per cent. non-accumulative interest was paid to shareholders on their capital holding and a bonus of 5 per cent. per half-year on earnings to every worker, salaried official, and director of from one to ten years' standing, and at the same rate on the earnings, multiplied by 1¼ or 1½, to those of more than 20 years' service respectively. "The Shareholders take the same percentage over and above their 6 per cent.," he said, "but upon this interest, not upon their capital, so that they all become wage-earners too." The workers were able to become shareholders in full standing, and when collectively they had £500 invested in shares they became entitled to three representatives on the board, two appointed by their own votes and one by the permanent directors, each with a qualification of £20. These employee directors had complete access to every detail of the business.

Experience shows that democracy in finance is a perfectly practicable thing, said Mr. Ford, and under this scheme there was complete trust and comradeship between owners and workers, and harmony with the trade union, whose president was one of the directors of the firm.

* * *

Getting On!

THE definite revival of interest in co-partnership is one of the most promising features of the present industrial situation, and the success of such schemes as Mr. Ford's will undoubtedly stimulate it. One of the most interesting points which emerged from the conference was the expression of belief that trade union leaders were at last relaxing their antipathy to higher output and co-partnership schemes, and showing signs of changing their views about the necessity for maximum instead of minimum output. "Say not the struggle nought availeth,"

Ulster as a Unit of Empire.

By Rt. Hon. THOMAS MOLES, M.P.

Managing Editor of the "Belfast Telegraph."

"The Ulster people have had to fight for their place in the United Kingdom and the Empire, and make sacrifices for it; that is why they love it."

ON the map of the world British possessions, in our school days, were coloured red. That colour had a very different significance then from the meaning now attached to the word "red."

In a map of the British Isles, assuming the old significance of the British red, there will be found in the North-East corner of Ireland a splotch of red. That splotch is the Ulster of to-day, and it is British through and through. It has its own Parliament for purely local affairs, but it maintains representation in the Imperial Parliament for all Imperial purposes. It is the British Parliament which imposes and collects more than 90 per cent. of the whole tax revenue of the North of Ireland. This includes income tax, customs duties, excise duties, etc. It is one of the most self-supporting of all the areas connected with the British Government. When all the expenses of Government, whether Imperial or local, are added together the revenue deriveable from Ulster exceeds them by about a million annually, and that sum goes into the Imperial Exchequer for Imperial purposes.

There are no Customs barriers between the North of Ireland and Great Britain, a fact of which traders and others sometimes lose sight, and confuse it with the South of Ireland or the Free State, between which and Great Britain (which includes Ulster) there are Customs barriers just as there are between Canada or South Africa and Great Britain.

The old intimacy of trade and other relationships between the North of Ireland and the British Empire is as fully and effectively maintained as it was before the separation of the Free State from the United Kingdom took place. This intimacy of relationship is reflected in every department of Ulster's public life and industrial activity. Ulster has all the advantages arising from Great Britain's consular service throughout the whole world.

Belfast is the great industrial centre of this Province, and it is one of the four greatest ports in the British Isles. Within the ambit of the city there has been created five of the greatest industries of their kind in the world, including the biggest shipyard in the world, the biggest linen manufactory, the biggest tobacco factory, the biggest rope and twine works, and the biggest distillery.

The two great basic industries of the city are shipbuilding and linen, and around these are clustered a number of other industries of greater or lesser importance, which are ancillary to these basic industries.

The whole area of Ulster is vitalised from the great heartbeat of Belfast. The linen industry stretches out through the Province, and Belfast shipbuilding has its counterpart in the City of Derry, which is the second largest port and town in the North of Ireland.

City Hall, Belfast.

[from Block produced by Central Process Engraving Co

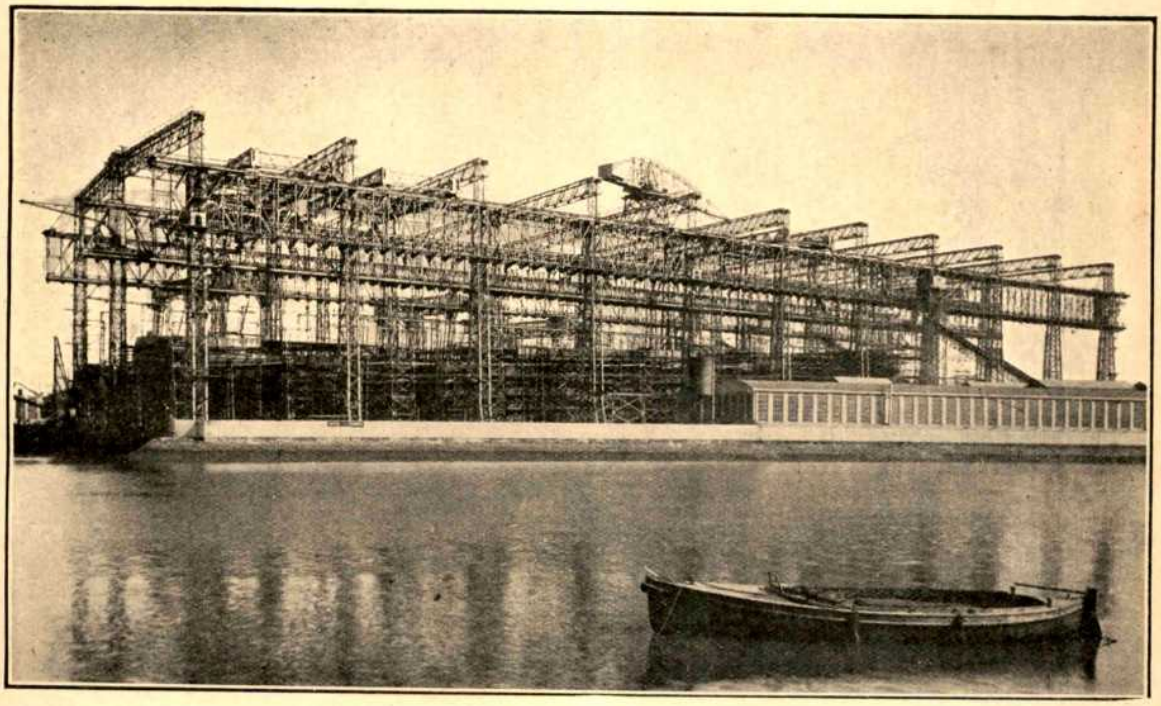
Five lines of steamers connect Scotland, England, and the North of Ireland in a daily service, and there is constant communication between the ports of Larne and Londonderry with ports on the other side of the Channel.

The hinterland of Ulster is the centre of vigorous agricultural activity. Considerably more than a million acres annually are cultivated in wheat, oats, potatoes, and flax alone, and the

official statistics of the money value of crops show that the annual yield from wheat, oats, barley, potatoes, etc., from Ulster is a round figure of 33 millions.

The Northern joint stock banks, according to their balance sheets, have on deposit or credit, accounts of a total value of 61 millions of money. When the Great War Loan was being raised the City of Belfast alone subscribed £32,000,000.

The shipping owned in Ulster exceeds by more than three times the shipping of the rest of Ireland combined. She produces 48 per cent. of all Irish oats; 40 per cent. of all Irish potatoes; and 98 per cent. of all Irish flax. The net registered tonnage of vessels cleared from the port of Belfast for the year 1925 was nearly 3¼ million tons, and the actual tonnage of goods imported and exported amounted to almost exactly the same number of tons.



Gantries at Queen's Island, Belfast, where the Olympic and Titanic were built.
[from Block produced by Central Process Engraving Co.

These are very remarkable figures, and afford striking evidence as to the position which Ulster occupies in industry and agriculture. The official figures of joint stock companies carrying on business in Northern Ireland in 1925, exclusive of the capital locked up in private firms not registered under the Companies Acts, was £71,000,000.

The money value of goods reaching Northern Ireland through its various ports last year was £59,000,000 of which £14,000,000 worth came from foreign countries. The exports were £58,000,000, of which £2,750,000 went direct to foreign countries. When it is remembered that the population of Northern Ireland is a round figure of a million and a quarter, the relative magnitude of the figures quoted above becomes evident.

Considerably over 2½ million proof gallons of spirits were distilled in Northern distilleries during the year.

Belfast and Londonderry are famous for the manufacture of tobacco, cigarettes, snuff, etc., and all over the North of Ireland are dotted woollen mills which manufacture tweeds, overcoats, blankets, etc. Throughout the Province shirt and collar manufacturies are strongly established, particularly in the city of Derry. The manufacture of felt and roofing materials, flour milling, jam making, salt mining, aerated waters, soap, candles, and such like is vigorously maintained, and the distributing trade in Belfast and Londonderry absorbs 18,000 workers.

The huge plant of the Belfast Ropeworks employs nearly 4,000 persons in the production of vast quantities of ropes and twines, fishing nets, etc. The linen trade gives employment in normal periods to 110,000 workers, and the total of spindles in the trade is well over a million, while the weaving factories contain no less than 40,000 looms.

The Province of Ulster is splendidly served by three lines of railways, which penetrate into every part of the Province. In addition, fleets of motor-'buses run between all the leading towns, and the inter-communication between every area of the Province is complete and rapid. As is well-known, the North of Ireland includes some of the most magnificent scenery to be found in any country. The great coast road which runs from Belfast to Portrush, and afterwards round to the city of Derry, is one of the most striking of such highways in the world, and was described by the late Lord Northcliffe as "one of the three most beautiful trips of this kind in the world." The far-famed nine Glens of County Antrim attract thousands of tourists every year, and their beauties have been chronicled in song and story world-wide.

County Down, "where the mountains of Mourne sweep down to the sea," has a loveliness all its own, and a grandeur not to be surpassed anywhere.

There are scores of golf courses scattered throughout the Province, and these include the two championship courses of Newcastle and Portrush. The Giant's Causeway is only a short tram ride from Portrush.

Law and order prevail everywhere, and not even the most peaceful shire of England can outrival the condition of Ulster at the present time in this respect.

Britishers will always find a warm welcome. They will find the Union Jack flying everywhere, and in the hearts of the people a passionate attachment to all for which the flag and the Empire stand. The Ulster people have had to fight for their place in the United Kingdom and the Empire, and make sacrifices for it; that is why they love it. They know what it means, and are devoted to it with all the fervour that comes with knowledge so acquired.

The streams of sentiment and interest flow in one common channel. We have shared in all the duties and sacrifices of British citizenship. Speaking of the great charge of the Ulster Division on the 1st July, 1916, His Majesty King George said: "Ulstermen know how to fight and how to die." A Division which won nine Victoria Crosses in the war, four of these being earned on one day, merited that description.

We are "one with Britain, heart and soul," and believe in "one fleet, one flag, one Throne."

Scale of Charges in respect of Goods and Minerals except Coal, Coke, and Patent Fuel, by Merchandise Train. Applicable to traffic elsewhere than in Scotland.

Present Equivalent.	Class in respect of Merchandise to which charges are applicable.	STANDARD RATES FOR CONVEYANCE. For the first 20 miles or any part of such Distance. Per ton. Per mile.	For the next 30 miles or any part of such Distance. Per ton. Per mile.	For the next 50 miles or any part of such Distance. Per ton. Per mile.	For the remainder of the Distance. Per ton. Per mile.	STANDARD TERMINALS. Station Terminal at each end. Per ton.	Service Terminals. Loading. Per ton.	Unloading. Per ton.	Covering Per ton.	Uncovering. Per ton
Class.		d. d.	d. d.	d. d.	d. d.	s. d. d.	s. d. d.	s. d. d.	d. d.	d. d.
A	1	1.90	0.95	.55	.50	0 3	—	—	—	—
	2 In Owner's wagons.	2.15 0·95	1.05 0.85	.70 0.50	.65 0 40	0 5 3	—	—	—	—
	3	2.25	1.10	.80	.70	0 6	—	—	—	—
B	4	2.30 1.25	1.20 1.0	.90 0.80	.75 0.50	0 10	—	—	—	—
	5	2.60	1.25	.95	.75	0 6 6	—	—	—	—
	6	2.65	1.35	1.05	.80	0 10	—	—	—	—
	7	2.90	1.60	1.20	.95	1 0	—	—	1.25	1.25
C	8	3.05 1.80	1.75 1 50	1.35 1.20	1 00 0.70	1 2 1/0	— 3	— 3	1.25 1.0	1 25 1.0
	9	3.20	1.90	1.50	1.05	1 4	—	—	1.50	1 50
	10	3 50	2.30	1.75	1 10	1 7	—	—	1.50	1.50
	11	3.75	2.55	2.10	1.45	2 0	0 6	0 6	2 50	2.50
1	12 In Railway Company's wagons.	3 90 2.20	2.70 1.85	2 25 1.40	1.60 1.0	2 5 1/6	0 8 5	0 8 5	2.50 1.50	2.50 1.50
	13	4 25	2.90	2.50	1.75	2 5	0 8	0 8	2.50	2.50
	14	4 55	3.20	2 65	2.10	2 5	0 10	0 10	3.00	3.00
2	15	4.80 2.65	3.45 2 30	2.95 1.80	2.30 1.50	2 5 1/6	0 11 8	0 11 8	3 00 2.0	3.00 2.0
	16	5.05	3.70	3.20	2.65	2 5	1 1	1 1	3.00	3.00
	17	5.50	4·15	3 35	2.90	2 5	1 4	1 4	3 00	3.00
3	18	5.85 3.10	4.50 2 65	3.70 2.0	3.20 1.80	2 5 1/6	1 7 1/0	1 7 1/0	3.00 2.0	3.00 2.0
4	19	6.80 3.60	5.30 3.15	4.40 2.50	3.85 2.20	2 5 1/6	2 2 1/4	2 2 1/4	5.00 3.0	5.00 3.0
5	20	8.00 4.30	6.25 3.70	5.75 3.25	4.40 2 50	2 5 1/6	2 8 1/8	2 8 1/8	6.00 4.0	6.00 4.0
	21	12.00	9.35	8.65	6.55	3 7	4 0	4·0	9 00	9.00

Fractions of less than one half-penny in the rate to be dropped, and fractions of one half-penny or over to be charged as one penny.

Continued from opposite page.

The Story of Lloyd's.

THE ROMANCE OF RISK.

By R. E. MAYO.

The Illustrations to this article are from photographs by Mr. Humphrey Joel.

The "Investment of Courage" might well be used to describe this record of the value of risks. The average man has a very limited idea of the extent to which the operations of Lloyd's affect the details of his daily life.

VISITORS to the Royal Exchange, that famous landmark in the heart of London city, will notice at the east end of the building the heavy iron gateways, and, passing through them, will find a never-ceasing stream of alert looking men, hurrying up and down the wide stone stairways that lead to the great rooms above.

The scarlet-coated janitor who bars the way to all but the duly authorised, will tell you that this is the entrance to the famous Lloyds, a name familiar enough to the average Londoner, but the origin of this great Corporation and what it stands for the world over is probably a sealed book to ninety out of every hundred who daily pass its portals.

WHAT IS LLOYD'S?

Briefly stated, Lloyds is primarily the greatest Association in the world, conducting marine insurance and all pertaining thereto, and it also possesses a wonderful organisation for compiling and distributing maritime intelligence.

"Lloyds List and Shipping Gazette" is a daily record of the arrival and departure of vessels from and for all the principal ports in the world, and, with the exception of the "London Gazette," is the oldest newspaper in the world at the present time. Promoted by and closely linked with Lloyds is "Lloyds Register of Shipping," that marvellous compilation of the names, owners, tonnage, and classification of British and Foreign vessels; the expression "A1 at Lloyds" having a significance that is accepted as world-wide.

The volume of business annually transacted by members of Lloyds (which since 1909 includes non-marine insurance) is enormous, and probably approaches the stupendous sum of £500,000,000.

The members that constitute the Association are known as underwriters, and conform to certain rules, the management being in the hands of a committee elected by the members. The office of chairman of Lloyds is one of great honour and influence. The Society, as such, does not issue or assume liability for policies, the business being carried on by individual members or groups, who make themselves personally liable for the risk of insuring against loss or damage.

The custom from the earliest records being for those who accepted such liabilities to subscribe, or underwrite, their names at the foot of the document, hence the term underwriter; each underwriter's liability being limited to the proportion of the risk or "line" as it is technically known, that he has subscribed in respect of any one transaction.

The great security of the policy issued by Lloyds is in the obligation of the underwriting member to lodge with the committee and to place "in trust" ample security to meet all the liabilities he may undertake; a regulation enforced like the law of the Medes and Persians—that altereth not.

The growth of this great Institution and its story marches side by side with the growth of our commerce and Naval supremacy, and is equally of national importance.

Historical facts clearly indicate that the germ idea of marine insurance in this country originated in the practice of the Teutonic merchants settled here—that powerful branch of the famous Hanseatic League, whose group of warehouses known for centuries as "The Steel Yard," stood on the site of the present Cannon Street railway station.

with money or otherwise to prosecute or defend it, whilst champerty is a bargain by some person, with a plaintiff or defendant to divide the land or other matter sued for between them, if they prevail at law; whereupon that person who is called the champertee agrees to carry on the party's suit at his own expense. A right under a personal contract cannot be assigned, but moneys due under a contract of personal service may be assigned [Russell and Co., Ltd. v. Austin Fryers].

When does assignment take place by operation of law? The rights and liabilities of either party to a contract may be assigned by operation of law, e.g., when parties die or become bankrupt or (in case of a woman) marries and certain contracts in relation to land.

SUBSTITUTION.

What is the operation of novation in reference to the assignment of contracts? Incidentally novation is a term applied to the substitution with the creditor's consent, of a new debtor for an old one, e.g., slight evidence is sufficient to show that a creditor who continues his dealings with incoming partners accepts the new firm as his debtors instead of the old firm. Since novation is a new contract, it is essential that the consent of all parties should be obtained. The consent may be inferred from conduct without express words, e.g., a company, by registering a transfer of shares, agrees to discharge the contract with the old shareholder and accept the new one in his stead. Again, the consent of a creditor to a transfer of liability from an old to a new firm may be inferred from the fact that he continues to deal with the new firm after notice of the change of partners [Bilberough v. Holmes].

In reference to novation in addition to consent, there must also be valuable consideration, e.g., an agreement to accept the liability of one debtor in place of two is not bad for want of valuable consideration, because it may be of more advantage, particularly if the sole debtor is a person of affluence, and therefore greater security for the amount due.

Is it necessary for the operation of novation to be effective to be in writing? As novation is a new contract, it is not necessary as being a promise to answer for the debt of another, to be in writing, because the original debt no longer exists [Taylor v. Hilary]. Similarly, where the original contract was in writing and before breach thereof a new verbal contract has been entered into in substitution for it, evidence of such new verbal contract may be admitted for the old contract being annulled, the new contract does not vary it, even though the new contract may adopt some of the provisions of the old contract [Goss v. Nugent]. The above is subject to the provisions of the Statute of Frauds in reference to certain original contracts being evidenced in writing.

(To be continued.)

A Book for Retail Traders.*

APART from the big departmental stores, the multiple shops, and a limited number of large private businesses, the retail trade of this country is mainly carried on by small shopkeepers whose business methods and knowledge of marketing leave much to be desired, and place them at a decided disadvantage with their more powerful competitors

This is a reproach which need no longer be suffered by the shopkeeper in a small way of business.

In *Successful Retailing*, by Mr. Eric N. Simons, the firm of Pitman's have issued a handbook which clearly explains how the principles and methods of efficient management and scientific marketing can be systematically applied to any type of retail business.

The author is well known as the Publicity Manager of Messrs. Edgar Allen & Co., of Sheffield, and his authority on scientific marketing is unquestioned.

He deals with the problems of the retailer in very comprehensive fashion, and after discussing the site, the external and internal equipment of the shop, and the treatment of the staff, comes closely to grips with vital phases of his subject in the sections dealing with the business—a term which covers the whole function of management —and the selling factors, viz., advertising, window and counter dressing, sales and salesmanship. Here his advice is uniformly sound, and if followed, will ensure that the foundations of sucessful retail trading are well and truly laid.

In brief, a typical Pitman textbook—practical, and full of useful guidance to the large class of traders for whom it is specially intended.

* Successful Retailing, by Eric N. Simons. 210 pp. Price 5s. net. London: Sir Isaac Pitman & Sons Ltd.,

STAKEHOLDERS AND AUCTIONEERS.

What is the law in regard to stakeholders and auctioneers? A stakeholder who has received money for the purpose of holding it until it has been ascertained who is entitled, is liable, if the stakeholder wrongfully parts with the money. This ruling also applies to auctioneers who hold a deposit, as was laid down by the case of Ellis v. Goulton. The stakeholder is not bound to pay until it has been decided who is entitled to the money, and it is preferable that the decision should be in writing when communicated.

DEPOSITS.

What is the legal position in regard to deposits on contracts? A deposit on a contract which has never been completed is recoverable unless the person who paid the deposit has defaulted in performing his share to the contract. A person is liable to refund money which he has obtained by fraud, whether it be by fraudulent misrepresentation or fraudulent concealment of material facts, also interest may be recovered on this amount [Johnson v. Rex].

STATEMENTS OF ACCOUNTS

What is the legal position in reference to an Account Stated? An Account Stated is the admission of a balance due from one party to another, and that balance being due, there is a debt; the statement of the account and the admission of the balance implies a promise in law to pay it. In the case of Camillo Tank Steamship Co. v. Alexandria Engineering Works it was laid down that an account stated is mere evidence establishing only a primâ facie liability, and not in itself constituting a debt. If by such evidence an admission is shown of money being due, a promise to pay the amount is inferred by law; but the liability may be rebutted (i.e., contradicted) by disputing the debt charged in the account, e.g., mistakes existed.

What is the law in regard to admission? A verbal admission of a debt due under a written contract is sufficient to support a claim on an account stated, also such admission may be inferred by conduct. The acknowledgment of a debt due creates sufficient of contract in order to succeed in an action.

One often hears the phrase, privity of contract. What is really its legal significance? Privity of contract is the relation which exists between the immediate parties to a contract, as where A agrees with B to pay him £100. Privity of contract is necessary to enable one person to sue another on a contract. Thus if A agrees with B that he will pay C £100, C, for want of privity between them, cannot bring an action against A on the contract.

ASSIGNMENT OF CONTRACTS.

What is the law in reference to the Assignment of Contracts? The assignment of a contract takes place when the liabilities imposed or the rights acquired are transferred to a person who was not a party to the original contract. There are two methods of assignment, namely: (a) By act of parties; and (b) By operation of law. With one or two minor exceptions, a party to a contract cannot assign his liability without the other party's consent. The exceptions refer to land where the liability is not connected with skill, character, credit or other personal qualifications of the assignor, e.g., in the case of British Wagon Co. v. Lea, a wagon company let a number of railway wagons to the defendant at an annual rent, and agreed to keep them in repair. The Court held that the company's assignees were equally competent to keep the wagons in repair, and that the assignment of the company's liability did not put an end to the contract. The assignment of a debt under a contract may be effected by directing the assignor to pay the assignee. It is important to note that the benefit of a policy of fire insurance does not, in the absence of an express agreement to which the insurance company is a party, pass to the purchaser of the insured house, so that if a house is burnt down after a contract has been made for its purchase, and either before or after completion of the contract, the loss falls on the purchaser [Poole v. Adams].

What is the general method of assignment other than example already referred to? Contracts of various kinds are governed by statutes, particularly applicable, e.g., assignment of shares in a company are governed by the Companies Acts, 1908-1917, Bills of Lading by the Bills of Lading Act, 1855, Marine Insurance policies by the Marine Insurance Act, 1906, Life Policies by the Policies of Assurance Act, 1867, and transfer of stock is governed by the National Debt Act, 1870.

RIGHTS OF ASSIGNMENTS.

The point arises is, what rights, if any are incapable of assignment? A right under a contract cannot be assigned where the assignment would impose a greater liability on the other party to the contract. Similarly any assignment contrary to statute, e.g., contrary to the statute already quoted. An assignment contrary to public policy is wrong, e.g., Re Mirams case, the assignment of the salary of a chaplain to a workhouse. An assignment of a right of action which offends against the law relating to champerty and maintenance is wrong. In law maintenance exists when one officiously intermeddles in a suit depending in any court, which no way belongs to him, by maintaining or assisting either party

Business and the Law of Contract.

By F. E. SUGDEN, A.C.I.S., F.R.Econ.Soc., *Barrister-at-Law.*

IN the last issue of the Magazine there was dealt with the various methods of the discharge of a contract, including the effect of death on a contract. Previously there was stated there were two types of contracts, namely, expressed and implied ones. In the latter class there are those implied by conduct of parties, and those on which obligations are imposed by law, commonly called constructive contracts, e.g., in the case of Wilson v. Glossop, where a husband has unjustifiably turned away or deserted his wife, and a tradesman supplies her with necessaries, he is entitled to sue the husband for the price on an implied contract, notwithstanding that he may have received express instructions from the husband not to give credit to the wife. Strictly speaking, these legal forms of contract are not contracts at all, since there is no erusensus ad idem between the parties (i.e., consent between the parties), but by the custom of law have now become to be regarded as part of contract.

RAILWAY PASSENGERS.

If a person travels by railway without a ticket, intending to avoid payment of his fare, or carries luggage with an excursion ticket issued on condition that no luggage shall be taken, or takes merchandise as personal luggage, he can be sued on an implied contract for the amount of the fare or for the carriage of the luggage [Britten v. Great Northern Railway Co.]. Similarly, a person who fraudulently induces another to sell goods to a third person whom he knows to be insolvent is liable on an implied contract to pay the price [Hill v. Perrott].

What is the legal position when a request is made to make a payment by some other person? Where a payment is made at the request of another, a promise to repay the amount will be implied, even though the person at whose request the payment was made has not been relieved from any legal claim [Brittain v. Lloyd].

PAYMENT BY PROXY

Where one person has been compelled to pay the debt of another there is an implied contract on the part of the other person to indemnify him as though the payment was made at the request of the other, e.g., in the case of Moule v. Garrett, a tenant who had assigned his lease, and is afterwards compelled to execute repairs under his covenant with the lessor, may recover the cost from the assignee. Similarly where a person in the course of his employment incurs a liability on the employer's behalf which he is compelled to discharge, he may recover any payment made thereunder from his employer.

It is important to note, however, that if a voluntary payment is made by one person on behalf of another without his request, the amount is not recoverable, even though it is for the defendant's benefit, but where the person on whose behalf the voluntary payment has been made has the option of either adopting or declining the benefit, and he elects to adopt it, he will become liable to repay the money so paid on his behalf [Leigh v. Dickeson].

COLLECTIVE RESPONSIBILITY.

Where several persons are jointly and severally liable, and one is called upon to perform the contract in full, the one making the payment has the legal right to compel his colleagues to indemnify him [Holmes v. Williamson]. In estimating the amount of contribution on which persons are liable, regard must be had to the number remaining liable and solvent at the time of the payment.

Where one person has received the money of another under such circumstances that he is regarded in law as having received it, the law implies a promise on his part to make payment to the person entitled to the amount, and the actual holder refuses to part possession, he may be successfully sued in the Courts [Lodge v. National Union Investment Co.].

LAW OF INSURANCE.

What is the position in reference to the doctrine of subrogation (i.e., a doctrine in the law of insurance whereby, as between insurer and insured, the insurer is entitled to the advantage of every right of the insured, connected with the insurance which was effected between them)? A contract insuring property is a contract of indemnity only, and it is a principle of law of insurance that an insurer who pays as for a total loss is entitled to be subrogated to all the rights of the assured in respect of the property, therefore, if the assured recovers from any other party or person any sum, by way of damages, etc., in respect of the property insured and lost, the insurer is entitled to recover such sum as money. The amount recoverable is not that sum received by the assured by way of compensation for loss in excess of the amount paid by the insurer [Burnand v. Rodocanachi].

In addition to the exceptional appearance, due to the judicious treatment of the various types of timber used, there is a dignity that accords well with all that is best in British Commerce, and that is saying much. When time has somewhat accustomed the owner to these features, he is still left with the daily, nay, hourly reminder of the efficiency of the furniture, the easy action of the many drawers and fittings; the convenience,—the result of careful study of a business man's requirements—and finally the continual satisfaction born of the knowledge that one possesses equipment that is as near perfection as can be achieved.

For ourselves, we desire nothing better than the very fine specimens that adorn our offices, and promote to no small degree the efficiency of them

GENERAL.

Naturally there is much in the exhibition that want of space forbids us to record, but one very efficient device, which has become so familiar that we are in danger of taking it for granted, is the Dictaphone. Those progressive firms who use it, wonder how they did without it so long, and others who ultimately adopt it, will ask why they did not do so before

The standard set by the Executive is copied, with modifications, by the Staff. The Dictaphone makes prompt attention to correspondence habitual, because of the absence of effort, and, no small factor, it can be done alone, and in quietness. This is reflected in the increased efficiency of the typist, due to the greater concentration made possible with less effort. The Dictaphone is not a cost, it is an investment.

Efficiency is promoted by the exchange of ideas, and this is the great justification for such exhibitions as this. Ideas must be paid for, but the business that is run without them, soon lacks the wherewithal to pay either for ideas or anything else.

In conclusion, when rendering the accounts for the business that we al lhope may result, the exhibitors will find it difficult to improve upon the "Vicash" Combine Statement Forms for this purpose, they combine handiness with efficiency, and in addition cost less than the orthodox method, a great advantage in these difficult times.

No progressive business man or his staff can afford to ignore the exhibition, and unprogressive folk are best out of business.

* * *

"The Advertising World."

WE have been looking through the September issue of "The Advertising World" and gladly pay tribute to our contemporaries' all-round excellence. From the point of view of contents, it is a mirror of all that is best in British advertising. It is newsy, informative, and frequently arresting. No advertiser would be well advised to enter upon large-scale expenditure for publicity without being thoroughly familiar with the standard of typography, illustration and lay-out set by this capital magazine, nor should he rest satisfied until his own announcements approach it as closely as possible.

The Spirit of Liberty.

LIBERTY is the result of law—not, as many suppose, of the absence of law

JOSEPH ALDEN.

* * *

THE spirit of liberty is not, as multitudes imagine, a jealousy of our particular rights, but a respect for the rights of others. CHANNING.

* * *

THERE are two freedoms, the false, where one is free to do what he likes, and the true, where he is free to do what he ought.

CHARLES KINGSLEY.

* * *

THE only liberty that is valuable is a liberty connected with order; that not only exists with order and virtue, but which can not exist at all without them. EDMUND BURKE.

THERE is no liberty to men in whom ignorance predominates over knowledge, there is no liberty to men who know not how to govern themselves.

H W BEECHER.

* * *

POLITICAL or civil liberty is no other than natural liberty, so far restrained as is necessary and expedient for the general advantage of the public. BLACKSTONE.

* * *

No free government or the blessing of liberty can be preserved by any people but by a firm adherence to justice, moderation, temperance, frugality and virtue, and by a frequent recurrence to fundamental principles. PATRICK HENRY.

machines of a number of typists in one room will readily agree that to remove the noise is a remarkable accomplishment. The business man whose typist works in his private office will appreciate the silent typewriter. No longer will it be necessary for him to ask the typist to cease work while he uses the 'phone, or talks to a visitor. No longer will his concentration of thought be hampered by the tap-tap of the typewriter. The general office can also be freed of the din of typewriter noise and the efficiency of the staff thereby improved.

The possession of an L. C. Smith is the realisation of an ideal. Not only do heads of executives tire of the tap-tap of a typewriter, but the operator herself may actually lose efficiency on account of the noise. The L. C. Smith has eliminated the inevitability of this. But there is more. Efficiency has not been sacrificed in the machine to achieve this end, rather has other mechanical development kept pace with it, and it would be difficult to find a more striking example of the advantages of specialisation.

Associated with the L. C. Smith is the Corona, the delight of those who value the personal element. In a world whose modernism is rapidly eliminating so much that is individually one's own, the possession of this little model of typewriter perfection has a charm which is unequalled. Although not silent, like its large and adopted brother, its many qualities reconcile the owner to the absence of this. It is, in very truth, the " Personal " writing machine.

NEW CARD INDEXES.

Visible card indexes which enable immediate reference Also another form of card index which enables the whole of certain cards to be immediately found by the simple process of pushing a needle into them.

" Visibility " is a distinct virtue in a card index. Indeed oblivion could scarcely be more complete than in the case of the card which has found its way into the wrong division of the system. This is another source of irritation in commercial houses which modern genius has removed far from us.

Notable examples are not far to seek. The " Acme " visible records possess virtues that are obvious at a glance. Equal, but different, in that it embodies other advantages, is the system which everyone knows as Kardex. Adaptability is a feature of both, and one that is all important. It enables the small business to be as efficient as the larger one, and indeed can be expanded with the growth of requirements.

In these days of keen costs this is no small thing. The service, of which Kardex makes so great a part of its business, means the removal of the nightmare of confusion, which assails the uninitiated who ventures into the waters of system without knowledge. A 'phone call, and his difficulties not only have been removed but the cause of them explained—a real education. After reading this limited description, it is a " far, far better thing " to go and see those personally to whom it is given to supply what has become, like the telephone and typewriter, indispensable.

BOOKKEEPING MACHINES.

There are now several kinds of bookkeeping machines, all of which enable ledgers to be posted and automatically balanced by touching a few keys. These machines will keep books much more neatly and far more accurately and in considerably less time than by the hand bookkeeping method.

The name of Remington is naturally a household word wherever office machinery is thought of, or used, having been, like the poor, always with us, at least it seems so. In its robust middle age, Remington has come to stand for a very definite degree of competency in bookkeeping machinery. The end-of-the-month rush no longer need inform us that September is giving place to October, because statements can now be ready to go, and ledgers balanced. The installation of a Remington bookkeeping machine means order out of chaos, and few of us can disregard such an appeal.

STEEL OFFICE FURNITURE.

This is the steel age. Every item of office furniture can now be had in steel which can be finished to exactly represent any timber grain and colour. Steel does not warp or crack; it is vermin and rodent proof; it is fire resisting; it is very durable.

These are only a few of the marvels in display at the Business Efficiency Exhibition.

OFFICE FURNITURE.

A well furnished office of to-day is a collection of works of art ,and compares very favourably with house furnishing. This is the steel age, and many fine products are there for office use in that durable material. It is significant, however, that a selling point of some of these is that they are more or less perfect imitations in appearance of the wooden furniture. This latter certainly has a charm that is lacking in its colder surfaced contemporary.

The pre-eminence in this would seem to belong to the very fine productions of Shannon, Ltd. A recent inspection of them left one with the lasting desire to take offices large enough to contain a complete representation of all the great variety displayed.

Business Efficiency Exhibition.

FREE TRADE HALL, MANCHESTER, 1--9 OCTOBER, 1926.

ONE of the attractions of Manchester Civic Week, and certainly not the least important, will be the Business Efficiency Exhibition which will be held at the Free Trade Hall from 1st to 9th October.

This Exhibition will be of considerable value to every employer and every staff member who has any interest in office management and routine.

The business chief will find there such ideas as loud speaking telephones, and telephones which can be used in the noisiest mill; machines which will enable him to dictate his letters and instructions while his typist is at lunch or doing other work; typewriters which are noiseless and will not interrupt his thoughts or conversation He will also see machines which work on statistics during the night without attention and produce the required figures early next morning The cost accountant and auditor will be able to inspect machines which automatically show labour costs and calculating machines which will add, subtract, multiply or divide any and all figures at the touch of an electric button switch.

Office managers and bookkeepers will discover many new ideas for compiling records simply and accurately, simple methods in filing; machines for addressing envelopes at some thousands per hour, devices for buying postage by meter instead of using stamps, new kinds of account books, chairs that prevent fatigue, electric book-keeping machines, and hundreds of valuable ways for getting the office work done better.

Typists too, will find this exhibition worth visiting. Who of them will not covet the electric typewriter, the motor of which all pushing down of keys. Even the humble typewriter ribbon will be shown in its endeavour to keep level with the tastes of modern maidens by being made of silk—real silk at that: not for fashion's sake, however, but because it is efficient and economical.

The organisers of the Efficiency Exhibition hope that business men and women will take the opportunity to visit this unique event. Visitors are particularly invited to ask for demonstrations of any exhibit which interests them, to freely ask questions and to find out all they wish to know without feeling under obligation to make a purchase.

Intending visitors are urged to come early—everything will be quite ready by 11 o'clock on 1st October, so that nothing will be gained by delaying the visit until the later days of the exhibition. Besides, the exhibition will be so interesting that many visitors will want to come again.

A FEW OF THE EXHIBITS.

ELECTRIC TYPEWRITING AND ACCOUNTING MACHINES.

By Service Department, Business Organisation, Ltd

Every time a typist operates an ordinary typewriter she pushes down each key to the depth of about ½ inch; this depression in turn sets into motion a series of bars and levers which eventually impress the type on to the paper. The same action releases a ratchet gear which moves the paper one space along. If a typist produces forty letters of moderate length a day it is calculated that she strikes keys and space bar over 70,000 times.

The Electric Typewriter saves nearly all that manual labour. The keys work with the ease of hair-spring triggers — just a touch and the machine provides the necessary striking power, and shifts the paper carriage. Result: more and better letters.

An excellent example of this modern development of the use of machinery in the office is the finished product of the Elliott-Fisher Co. Ease of operation, speed, greater accuracy, are points of advantage which modern Commerce cannot afford to dispense with. To see it is to desire it—and there is nothing more to be done, save order it.

CALCULATING MACHINES.

By touching an electric switch and a few keys any required calculation can be made while a person without such a machine is thinking how the problem should be worked. Girls in their early twenties can produce results to complicated arithmetical problems quicker than the figures can be written down on paper.

SILENT TYPEWRITERS.

Many attempts have been made to produce a silent typewriter. At last it has been done. Those who know the noise caused by the

How Railway Rates are Made Up.

By GEO. B. LISSENDEN.

An informative and topical article at the time when the Railway Rates Tribunal is sitting to determine charges which shall come into operation on the "Appointed Day."

EVERYONE of us pays railway rates—either directly or indirectly—and therefore their composition is a matter with which we are all concerned.

REASONABLE FACILITIES MUST BE GIVEN.

In the first place, of course, the Railway and Canal Traffic Act, 1854, forbade undue preference on the part of a railway company and laid it down that we, as employers of the railway companies, must be given reasonable facilities for the forwarding and delivering of such of our traffic as we desired to send by railway; then by the Railway and Canal Traffic Act, 1888, it was further decreed that our traffic passing from a station on one company's railway to a station on another company's railway should be charged at *through* rates instead of at two "Local" rates as had formerly been the practice.

THE RATES AND CHARGES ACTS.

In the years 1891 and 1892 Parliament passed a number of Acts fixing maximum rates and charges for the conveyance of traffic over the railways of the United Kingdom and these, with certain percentage increases, are charged to us to-day; but the Railways Act, 1921, as we all know, has caused a further revision to be undertaken and it will be helpful if we focus our eye for a moment on the present and the proposed standard charges. The accompanying exhibit shows what are the standard rates and charges which the L.M. & S. Railway Company propose to make and what are the present equivalents of those rates and charges.

HOW A RAILWAY RATE IS CALCULATED.

The accompanying schedule is, of course, self-explanatory and we can by a simple calculation see that the railway companies' proposals amount to this :—

Calculation showing L.M & S. Railway Company's proposed standard charge for conveying one ton of class 1 traffic a distance of 100 miles over their own line.

	s	d
First 20 miles @ 4.25d. . .	7	1 00
Next 30 miles @ 2.90d. . .	7	3 00
Next 50 miles @ 2.50d .	10	5 00
Station terminals at each @ 2/5d. .	4	10 00
Loading		8.00
Unloading		8 00
Covering		2.50
Uncovering		2 50
	31	4 00

As against this we have the railway company's present maximum powers :—

Calculation showing L.M & S. Railway Company's present maximum powers for conveying one ton of class 1 traffic a distance of 100 miles over their own line.

	s	d
First 20 miles @ 2.25d. . .	3	9 00
Next 30 miles @ 1.85d.	4	7.50
Next 50 miles @ 1.40d.	5	10.00
Station terminals at each end @ 1/6d. .	3	0 00
Loading		5 00
Unloading		5 00
Covering		1.50
Uncovering		1 50
	18	3.50
Plus 50% increase authorised by the Ministry of Transport	9	1.75
,, flat rate of		6.00
	27	11.25

Thus it incidentally transpires that if the Railway Rates Tribunal approves these schedules of standard charges which have been submitted to them by the railway companies we shall have to pay more instead of less for the carriage of our goods—but these schedules are not likely to be approved because of the opposition on the part of the trading community.

EXCEPTIONAL RATES.

But only twenty-five per cent. of the traffic passing over the railways of the United Kingdom is charged at the full class rates — the other seventy-five per cent being charged at special or "exceptional" rates—rates, that is to say, fixed not according to any definite scale, but after the whole of the circumstances have been looked at commercially and then according to what the traffic will "bear." In other words, exceptional rates are fixed to encourage the traffic by the railway route as against the road or sea route and to make it possible for the business to flow when perhaps it might otherwise remain inactive and undeveloped. For that reason we shall be wise, when asking for a special rate, to explain the whole of the circumstances surrounding the business to the Chief Goods Manager so that this figure may be as low as possible.

Obtaining valuable concessions from our English kings, to whom they often acted as bankers, they gradually absorbed so much of our trade that the peaceful penetration practised even in those early times by the wily Teuton acted as a stranglehold for centuries on the prosperity of our English merchants.

Yet these Teutonic merchants were the instrument by which foreign trade with this country was built up, and the business methods they introduced were ultimately beneficial to us. Among these was undoubtedly a system of marine insurance for the mutual protection of themselves and the Hansa merchants, with whom they traded at continental ports. The actual wording of the Lloyds policy of to-day is identical in many respects with that used by them in the 14th century.

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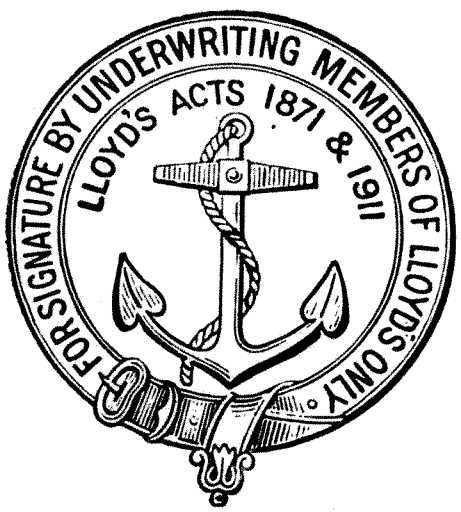


Any person not an Underwriting Member of Lloyd's subscribing this Policy, or any person uttering the same if so subscribed, will be liable to be proceeded against under Lloyd's Acts.

Lloyd's Anchor Seal.

The long reign of the "Steel Yard" supremacy at length came to an end by Royal proclamation of Queen Elizabeth, who was strongly urged to this course by Sir Thomas Gresham, the founder of the first Royal Exchange, which was destroyed in the Great Fire of 1666.

The closing of the "Steel Yard," and the expulsion of the Hansa merchants, were simultaneous with the rise of English commerce—that wonderful period of our history known as the Golden Age, when Frobisher and Drake and Raleigh made the name of England known and respected over all the Seven Seas.

It is rather remarkable that the premium of insurance on sailing vessels from Hamburg to London was practically the same when Sir Thomas Gresham sent armour from there for the troops of Queen Elizabeth as it is at the present time, but though insurance was practised here, of Legislation there was none in this country until the passing of the first British Marine Insurance Act in 1601. From this period and onwards to the latter part of the 17th century, marine insurance was carried on in London in a desultory way by merchants and bankers in the city.

LLOYD'S COFFEE HOUSE.

It was about this time that a certain Edward Lloyd opened a coffee house at Tower Street, then a most important thoroughfare, which from its proximity to the River Thames soon became of importance, and a gathering place for the shipping fraternity in general. Frequent auctions by "inch of candle" were held here. The practice was to stick a pin in the candle about an inch from the top, and bidding went on till the candle was burnt down to the pin. The custom is referred to by Pepys in his famous Diary under date November 6th, 1660, when he attended the sale of two ships that sold by "inch of candle," realized respectively sums of £1,300 and £800, which he describes as very good sport.

The first official record of Lloyds establishment is in the "London Gazette" of 1688, there being rewards offered for lost property and advertisements of sales of ships, cargo, and even slaves.

A reference to these transactions is contained in "The Wealthy Shopkeeper," a poem of the time:—

> Now to Lloyds coffee house he never fails,
> To read the letters and attend the sales.

Ambitious for the patronage of the wealthier merchants and underwriters, Lloyd in 1692 removed his coffee house from Tower Street to the far more central and important position near the then General Post Office at the corner of Lombard Street and Abchurch Lane, and it was from here that was circulated, first as a written sheet and later as a printed form, "Lloyds News," containing commercial and shipping intelligence, Lloyd having by this time established an extensive connection at various ports which furnished him particulars of the arrival and departure of vessels, and their cargoes and other foreign intelligence of interest to his clients.

Lloyd's Coffee-House.
From an old print in the possession of Harold B. Foster, Esq.
[from Block produced by Central Process Engraving Co.

Falling foul of the Government through reporting certain proceedings in the House of Lords, Lloyd was summoned to the Bar of the House, and called on to rectify the statement in his next issue. This he never did, but instead stopped the printing of the paper, and substituted handwriting. The new sheet circulated among the habitués of the Coffee House in its written form for nearly 30 years afterwards, until in 1726 his successors issued the journal again in printed form under the title of "Lloyds List," the publication of which has been continued ever since.

Of Edward Lloyd personally little is known, but from what we know of the work he accomplished he must have been of a sterling and independent character, and he showed his foresight when he made arrangements on his death bed for the marriage of his daughter to William Newton, who had been appointed to succeed him in the management of the coffee house.

It has been justly said of Lloyd that at the coffee house he founded in Tower Street was sown the seed from which sprang the great Corporation which has perpetuated his name, and that as the famous Angerstein in later days was christened "The Father of Lloyds," so Edward Lloyd, of coffee house fame, was the founder and name-giving godfather of "Lloyds" as we know it to-day.

BUBBLE COMPANIES.

Two years after Lloyd's death in 1712, the good Queen Anne was succeeded by King George the First, and for the next ten years the country went mad with a fever of speculation. This was the time of the South Sea bubble. Among other ventures a number of companies were floated to transact business in the nature of insurance, among these being such wild cat schemes as assurance from lying, rum assurance, and assurance of female chastity, but, born of the circumstances of the time were two companies established by Royal charter for the purpose of undertaking the business of marine insurance, known as the Royal Exchange Assurance and the London Assurance Corporations. Both were established at the Royal Exhange in 1720, and

for upwards of a century in conjunction with Lloyds they enjoyed a complete monopoly of the marine insurance of the kingdom.

There is little on record about Lloyds during this period. It was a convenient place for the underwriters and their clients, and the rival institutions had little if any effect on its popularity and importance. It remained in its existing situation at the corner of Lombard Street and Abchurch Lane for a further period of 50 years.

In 1740 it is on record that the Master of Lloyds Coffee House supplied Sir Robert Walpole, the famous Prime Minister of George II., with important news.

In 1749 the well-known memorandum determining the franchise on certain specified goods was first inserted in policies issued by Lloyds underwriters. It was recognised even then that the sounder the system by which protection of property could be obtained through insurance, the greater the security, and so the practice of marine insurance as established to-day gradually came into being and, in consequence, business continued to increase until the profession of the insurance broker was established as distinct from that of the underwriter or person who actually took the profit or bore the loss on the transaction negotiated on his behalf.

The destruction of the Second Royal Exchange by fire which originated in Lloyd's Captains' Room on January 10, 1838. From a sketch made on the spot by Mr. Wm. Heath.

[from Block produced by Central Process Engraving Co.

About 1770, the frequenters of the Coffee House engaged in the business of Marine Insurance removed to temporary quarters in Pope's Head Alley, their requirements having outgrown the accommodation afforded by the old quarters. Many efforts were made to find a suitable permanent home, and in 1771, an enterprising Dutchman, Mr. M. K. Van Mierop, and a leading member of the Coffee House, convened a meeting at which 79 members attended, and resolved to build a " New Lloyds " sufficiently commodious to house the Gentlemen Underwriters, etc. Each of the members present put down their names for £100 towards the purpose.

No suitable site could be found, and after many negotiations a committee of nine were elected from the original 79—with powers to put the scheme for removal into execution.

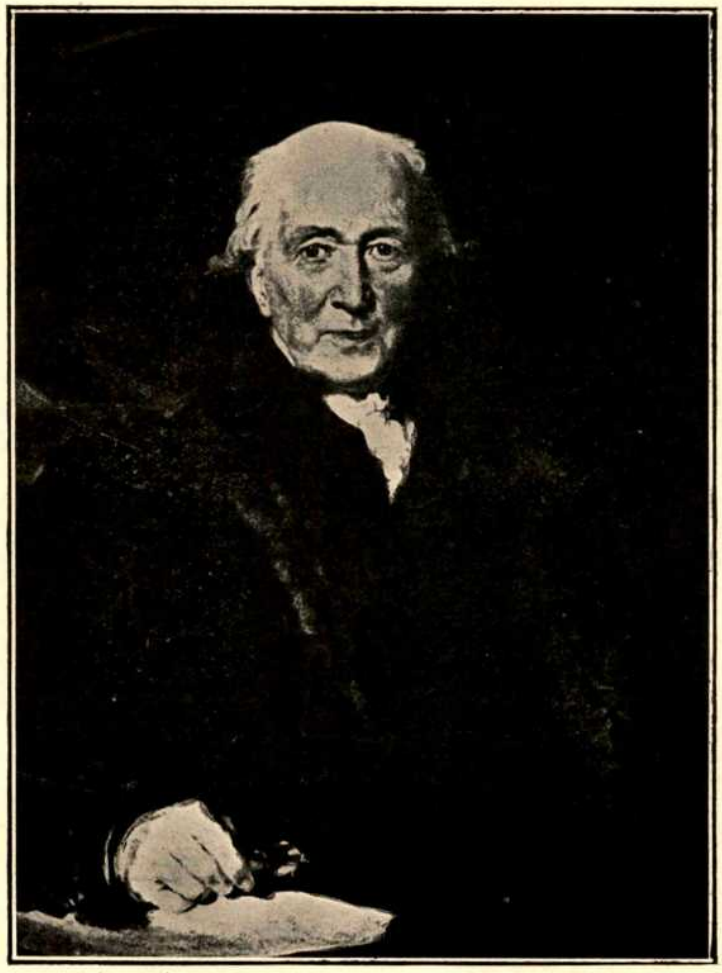
REMOVAL TO THE ROYAL EXCHANGE.

In 1773 this body had actually paid a deposit of 100 guineas to secure a lease on some premises in Freeman's Court, when happily for the future of Lloyds the enterprising action of the famous John Julius Angerstein, who may be looked on as the founder of the " New Lloyds," as distinct from the Coffee House period, secured for the Committee a lease of Rooms in the Royal Exchange itself. Here was the space to accommodate the ever-growing business, and it was situated in the centre of the City. This arrangement was concluded with the Mercers' Company, the trustees of the Royal Exchange, on Mr. Angerstein's personal undertaking to assume responsibility for the rent of £180 per annum, and in 1774 the brokers and underwriters found a permanent abiding place. Save for the short interval between the burning of the second Royal Exchange in 1838, and the rebuilding in its present form and reopening by Queen Victoria in 1844—it has remained their headquarters until the present day.

The loose connection existing between the Underwriters of London, as frequenters of the same coffee house where they carried on their transactions developed into a final system of membership when removal to the Royal Exchange was effected, and from this time onwards, "Lloyds," as it continued to be called, entered upon a new era of prosperity.

THE GENIUS OF ANGERSTEIN.

We may digress at this point to narrate a few details of the remarkable personage who did so much for Lloyds and the nation.



John Julius Angerstein, a former Chairman of Lloyd's, and aptly described as "The Father of Lloyd's."
[from Block produced by Central Process Engraving Co.

John Julius Angerstein was born in St. Petersburg in 1735. A certain well-known "Chronique Scandaleuse" would have us believe he was directly descended from the famous Empress Catherine of Russia. Certain it is that at the age of fourteen he was in London, and entered the office of Mr. Andrew Thompson, a wealthy and good looking merchant trading with Russia, who was also a Lloyds underwriter, and quickly showing great business aptitude at the age of twenty-one, he became an underwriter himself. He soon realised the coming power of Lloyds in the commercial world, and in 1771 was one of the contributors of £100 to the fund for founding a "New Lloyds." In 1773 he was made a member of the Committee, and sixteen years after, he had founded the "New Lloyds," was appointed Chairman, and occupied that important position until 1796, when the pressure of national affairs caused him to resign. So high was his standing that policies bearing his name came to be known as "Julians" and were looked upon as the highest security Lloyds could offer.

For a period of forty years commencing in 1775 (a year after Lloyds' removal to the Royal Exchange), England was involved almost continuously in naval wars, and this brought about a golden era for marine insurance. The immense traffic in arms and munitions with the inevitable rise in values of vessels, coupled with the possible losses in war time by hostile attack, resulted in a condition of affairs that created an enormous expansion in the growth and power of Lloyds.

The wars had the effect of bringing foreign marine insurance to Great Britain, the security of Lloyds being unequalled in the world. High premiums adequate to high risks were asked and obtained, and an example on record of the tens of thousands underwritten in the names of single individuals, is the insurance by Sir Francis Baring (founder of the famous firm of merchant bankers) effected in several policies on the treasure laden Frigate "Diana" from Vera Cruz to England, amounting to £631,800, most of the underwriters taking lines of from £1,000 to £10,000 each. The mere stamp duties on this insurance amounted to £1,580.

PRO BONO PUBLICO.

The wealth accumulated by these transactions was readily placed at the service of the nation

by such men as Mr. John Julius Angerstein and Sir Francis Baring, who were among the financial advisers of Pitt the great Prime Minister. Angerstein himself was almost solely responsible for raising a substantial loan by Exchequer Bills at a time when the credit of the Government was extremely low. In 1803 Angerstein took the lead in the establishment of Lloyds patriotic fund for assisting the wounded and alleviating the misfortunes of the widows and orphans of the fallen. The members of Lloyds in launching a national appeal headed the list with a contribution of £20,000, and during the first six years after the fund was established over £400,000 was received. Mr. Angerstein was also one of the prime movers in establishing the lifeboat fund in 1802. He was actively engaged in insurance business as broker and underwriter for 54 years, and lived to see England at peace and prosperous. He died in 1823 at the age of 88. His pictures formed the nucleus of our National Gallery, and as he stated in evidence before a Parliamentary Committee, " he had found Lloyds a small institution and seen it grow into vast size."

A NEW CONSTITUTION.

The wealth of Lloyds and the fortunes made there attracted such attention that in 1810 the Government appoined a committee of enquiry, and, although the result was favourable to Lloyds, a re-organisation was decided upon by the members themselves, acting through a committee of 21 appointed to consider " such measures as may be necessary for the future good management of the affairs of this House." A new constitution was framed, elastic rules for the management of the Society were drawn up, trustees of the funds were appointed, and the classes of the business community eligible for election to Lloyds were defined, and the regulations with which candidates for election had to comply, together with the fees and subscriptions of members, were laid down. Many of the rules then drawn up still remain in force, and have formed the basis for subsequent legislation. A feeling of greater stability was established among the members themselves, and this found its response in the attitude of the public which has never faltered since then in its loyalty and allegiance to Lloyds as a national institution.

THE END OF MONOPOLY.

The next important event in the history of Lloyds took place in 1824, when the repeal of the Act of George First ended the monopoly in marine insurance which had been enjoyed by Lloyds and the London and Royal Exchange Corporations for over 100 years. This was brought about chiefly on the initiative of the famous Nathan Rothschild (founder of the English house of that name). The field of competition being thus thrown open, he, with Sir Moses Montefiore and some other influential financiers formed the Alliance Assurance Company, which was soon followed by others, but the fear that indiscriminate competition would bring about the downfall of Lloyds quickly passed away, and the prosperity of the country

The " Caller," ringing the famous " Lutine " bell before making an announcement.
[from Block produced by Central Process Engraving Co.

at large that followed, the years known as the " hungry forties " was enjoyed in no small measure by the underwriters at Lloyds. A new era in its affairs may be said to have commenced with such events as the repeal of the Corn Laws and the establishment of the policy of Free Trade, the laying of the Atlantic cable, and the launching of the Great Eastern and other large ocean-going steamers, assisted in 1867 by the reduction of the heavy duties imposed on marine insurance.

But the American Civil War, which lasted from 1861-1865, in addition to helping the activities of our shipping, brought to Lloyds a great deal of marine insurance formerly effected in the United States. The development of Eastern trade brought about by the opening of the Suez Canal was another factor of importance.

A CHARTER GRANTED TO LLOYD'S.

The activities of Lloyds underwriters were unabated, and in 1871, after protracted discussion, the members promoted Lloyds Act, and in face of considerable opposition obtained from Parliament the grant of a Charter of Incorporation, the crowning achievement of a period extending over some 200 years. Though undoubtedly adding to the prestige of Lloyds, the charter limited the object of the Society as far as insurance was concerned to the transaction by its members of maritime risks only. This was amended in 1911 by the passing of a new Lloyds Act, which enabled "the carrying on by members of the Society of the business of insurance *of every description* including guarantee business."

In 1914 the outbreak of the Great War meant for Lloyds the greatest period of activity it has ever known.

The service of its intelligence department and its 2,000 agents stationed in every port of the globe, were placed at the disposal of the nation, the work rendered being of such a character as to warrant and obtain the special thanks of the Government. Lloyds Roll of Honour records that no less than 3,713 men connected with the Society fought for their King and the Empire during the great struggle.

Lloyds patriotic fund was again in evidence, and magnificent work was done by this and the kindred societies supported by the generosity of Lloyds. Special mention should be made of the splendid sum of £172,084 placed in the hands of Field-Marshal Earl Haig by members and subscribers for the relief of disabled officers and their families.

(To be continued.)

Entrance to the Underwriting room, showing the Caller's Rostrum, and The Casualty Book.

[from Block produced by Central Process Engraving Co.

"£1,000-a-Year."

The Story of the Initiation and Development of "The Association of Thousand-a-Year Men."

By C. H. HARGRAVE.

MAXIMILIAN Jenkins was fed up. First in the morning paper and then again in the evening, all this blather about the shortage of '£1,000-a-year men.' He snorted with indignation. Shortage indeed! Had he not slaved for ten solid years in the counting-house of Bloggs & Co., from nine-thirty (except when he was late) till five-thirty (except when he was early)? True, he usually took twenty minutes off in the morning for coffee, an hour or so for lunch, and an occasional half-hour for afternoon tea, but the heavy responsibilities of ledger posting necessitated an occasional break. And what was the reward of his industry? Five pounds a week and a fortnight's holiday a year! Why, it was enough to make a fellow turn "Bolshy."

He had in fact gone so far as to join the local socialist movement a year or two ago, but they were a restless lot, always on some stunt or other, and expecting a fellow to organise meetings in his spare time and help with kids' treats and so on. It was really too much to expect of a man who reckoned his time worth a thousand a year, so he had dropped it.

All the same, something must be done. It was bad enough to be cheated of the just reward of one's labour without having to read all this 'shortage' rot in the press. He resolved to sleep on it. Anyway there was nothing to stop up for.

When he rose in the morning at his usual hour of eight-forty-five he felt that the night of anxious tossing had not been wasted. He had conceived the germ of a great idea.

Next day the following advertisement appeared in the "Personal Column" of the "Times."

> Association of Thousand-a-year Men.—The council of the above association have decided to permit a limited increase of membership. Full membership can only be granted to those who are in receipt of a salary of not less than £1,000 per annum, but probationary membership is extended in suitable cases to those who in the opinion of the council have the necessary ability and enterprise to reach this figure. All encouragement and assistance is given to such members to enable them to attain their ambition. Full particulars of the secretary, M. Jenkins, Box Z.576.

Jenkins felt rather proud of this advertisement. Being a truthful young man he had justified his reference to "increase of membership" by electing himself unanimously as first member and council. At a meeting of the council which he then convened he appointed himself Secretary at a salary of £1,000 a year (if forthcoming) and having thus qualified for full membership was entitled, on payment of subscription, to use the letters "T.Y.M." after his name as was explained in the Association's prospectus already in the hands of the printers. He paid himself his subscription, appropriated it against expenses incurred, and the formalities were complete.

The response to the advertisement was promising. But somehow, few people seeemed willing to pay two guineas a year for the privilege of placing after their names the potent sign "P.T.Y.M.", and none whatever desirous of using these letters without the "P." at an annual cost of five guineas.

The founder's Brains-and-organising-ability were not yet spent, however. Some days later a letter to the Editor, extolling the virtues of the Association, appeared in the correspondence column of his morning paper over the pseudonym "City Merchant." Reading this on his way to Bloggs', Jenkins swelled with pride. It was the first time he had seen himself in print. He was reading it in the office for the third time when Mr. Bloggs sent for him.

"Mr. Jenkins," he asked, "have you ever heard of the Association of Thousand-a-Year Men?"

The secretary of that august body flinched. "Yes, sir," he mumbled.

"It may then, interest you to know that I had a visit yesterday from a young probationer of that body." Jenkins shivered. He wondered vaguely whether it amounted to false pretences and what the usual sentence was. Dimly he heard the sound of his employer's voice as he continued.

"It may also be of interest to you—though I doubt it—to know that for some long time past I have been very dissatisfied with the conduct of business generally in the office. There has been far too much slackness and waste of time, and I think you will hardly trouble to deny that this applies more strongly to you than to any other member of the staff. As you appear to have heard of the association just mentioned you may also have read a letter which appeared in the press this morning urging support of the movement both by employers and ambitious young men.

"I am afraid I should hardly class you in the latter category Jenkins, but I would strongly advise you to acquire that admirable quality known as ambition and strive by hard work and study to qualify yourself for admission to the organisation in question.

"For myself, I mean to give it my whole-hearted support, and have therefore decided to give my young visitor of yesterday a responsible post in the office. This will entail re-organising the staff, and I am afraid we shall not have room for you after the end of this week."

* * * *

Jenkins opened the letter listlessly and read:

The Secretary,
Association of Thousand-a-year Men,

Dear Sir,

I desire to make application for transfer from probationary to full membership of the Association, as I have just been appointed to a position with Messrs. Bloggs & Co., London, E.C., at a salary of £1,000 per annum.

I shall be obliged if you will send me the necessary form of application . . . .

ENGLAND.

WHAT have I done for you,
England, my England?
What is there I would not do,
England, my own?
With your glorious eyes austere,
As the Lord were walking near.
Whispering terrible things and dear
As the song on your bugles blown,
England—
Round the world on your bugles blown!

Where shall the watchful sun,
England, my England,
Match the master-work you've done,
England, my own?
When shall he rejoice agen
Such a breed of mighty men
As come forward, one to ten,
To the song on your bugles blown,
England—
Down the years on your bugles blown?

W. E. HENLEY.

Do You Want to be a Chief ?

By MAX RITTENBERG.

HAVING discussed, in previous articles, many of the problems of finance which the principal of any firm has to be considering at various times throughout the year, let us now turn to the problems of general policy which comfort him from time to time.

One of the first is " over-selling."

WHEN ORDERS SHOULD BE CUT.

So many employers think that a business will accept any and every order secured by a traveller, or coming to the firm through advertisements, general prestige, recommendations and so forth.

But, the building up of a sound business rests on goodwill—and goodwill is the expectation of a customer " coming again."

He will not " come again " if he has suffered loss on a purchase—even though that loss is really his own fault.

This being the A.B.C. of business, any principal of experience is alert to the dangers of over-selling. As for instance, a young fellow setting up for himself in retail trade, full of confidence and enthusiasm, not fully aware through personal experience of the risks involved, comes to the wholesale houses to buy his stock-in-trade.

He has not been canvassed for orders. He comes of his own judgment, knowing the firms through his experience as a retail assistant, or by general reputation.

He introduces himself, explains his experience, intentions, hopes; is questioned closely as to his working capital, references, and other credit points. Having satisfied some responsible member of the firm that he is worthy of credit, and having been allotted a monthly credit limit, he sets out to select his stock.

It has happened again and again, in such inspections of goods, that the wholesale firm will RESTRAIN him from buying, will suggest cutting down orders, will dissuade him from spending as much as he wants to spend.

It is frequently sound policy to do so.

REFUSING ORDERS.

The same thing happens in my own line of business—advertising. We advertising agents refuse far more business than the general public has any conception of. We can only make a real profit if the client succeeds and profits by his advertising (whether press or postal), and " comes again." If he were to make a splash and fail, it would be unprofitable for us individually and damaging the advertising industry in general.

So we consider very carefully whether a new advertising account is likely to be a success or not; and if there is any doubt on the matter, we nearly always advise some form of test, where the outlay and risk will be small.

Again, during the Coal Strike of this past summer, the leading advertising agents were advising their clients to reduce or suspend advertising, where such publicity was directed to the working classes.

In this way, confidence is retained; goodwill is built up.

It seems an obvious thing to do when one looks at the matter from the principal's angle of sound business building. Yet, is this attitude realised by the average employee? I doubt it. Every sales manager knows the difficulty of finding travellers who can sell successfully, *and also*, know when to be cautious in taking orders.

THE PRINCIPAL'S ATTITUDE IN COMMERCIAL TRAVELLING.

A travelling salesman who has gained the confidence of his retailers is often allowed to do a large share of their orderings. A traveller I know takes a friendly command of the situation in this way. If he comes into a shop while the proprietor is engaged in serving a customer (which frequently happens), he will stroll around the shop looking at the stocks on the shelves and making notes in his order book of what needs replenishing, and how much (in his judgment) should be re-ordered. He is careful not to " over-sell," and so, the orderings he suggests to the retailer are often accepted pretty much as he has dictated them in his pleasant way. It is an ideal relationship between seller and buyer.

In selling to the architect and builder, a similar attitude of mind—the real employer attitude—has been very well defined by an architect of reputation and wide experience :—

"The salesman is the liaison between the architect and that vast complex array of materials which modern science, ingenuity, and merchandising provide. He certainly contributes valuable assistance to the architect's education. Now, more than ever before, he is depended upon. He should in his own line enjoy the architect's complete confidence. But this confidence must be deserved and earned.

"Don't try to sell your material for a job where it doesn't really fit. It will discredit your product for the next job.

"Think of the architect as your partner in the proposition of getting the best job possible, and not as an obstacle to be overcome in exploiting your product. Try to be impartial and far-sighted. Your future reputation may be more valuable than a present sale.

"Know your product as you do the multiplication tables. Know its limitations and admit them. Know its competitors, and be fair in your estimate of them. Exaggeration invites opposing exaggeration.

"If your own product does not fit as well as a competitor's, try the experiment of saying so. There is nothing which indicates your frankness, honesty, and desire to be of service as well as this. You thereby disarm all criticism and make a long-term investment in confidence—which may pay large dividends.

"Be proud of the service you render. It is both necessary and highly valued. Be dignified and brief. Stick to the subject. This inspires the architect with the value of your time, as well as recognising the value of his time."

SHOULD CANCELLATIONS BE ACCEPTED?

Is it good business, or bad, to allow a customer to cancel orders at almost a moment's notice?

That depends on many considerations—particularly on the bona-fides of the customer.

Sometimes it is imperative to accept cancellations.

For instance, just before the great slump of 1920-21, a London firm had contracted with a manufacturer in the North for the making and delivery in the Spring of a large line of varied goods. It was a substantial order for both sides.

When the warnings of the coming slump made themselves audible to the head of the London firm, he telegraphed the manufacturer to come South for a conference.

North of England men are popularly supposed to be very hard-headed men of business, set on wringing the last penny of profit out of a deal. (My own experience of them is quite different—sensible, pleasant, sportsmanlike, fair-minded men.)

This manufacturer certainly belied the popular notion. When the facts were put before him at the conference in London, he agreed at once that cancellation of the contract was necessary. "Shall we say a £1,000 penalty for cancelling?" asked the London man.

"I think I can do better for you than that," said the fair-minded man from the North. "I'll find out at once how far we ourselves cancel with our suppliers of raw material, and I'll charge you only what we ourselves have to pay out for cancellations."

Not to be outdone in such a "partnership" method of conducting business, the London man at once had a cheque on account for £750 made out and placed in his hands.

Now, suppose the manufacturers had insisted on the letter of the contract, insisted on making the goods and delivering them—what would have been the outcome? Loss for the London firm undoubtedly; probably disputes about quality, finish and so forth; possibly a law-suit; certain difficulties in securing payment; and eventually it might have resulted in a bankruptcy with heavy losses on both sides.

It was wise to accept that cancellation—and broad-minded to accept it in such a friendly spirit.

WHEN "POLICY" STEPS IN.

Question of policy may also restrain or present the going after an extension of business in a new line—and apparently a profitable line.

This happens not infrequently. Any successful firm with a good public or trade reputation, attracts to it automatically oddments of people with patents to launch, selling plans, clever advertising stunts, new lines of goods, and financial schemes.

Even if these be reasonable risks as ventures, yet they may not fit in with the settled policy of the business. They may:—

1.—Do positive harm to the established trade of the house.

(Bargain lines are not every firm's meat!)

2.—Convey the impression that the house is taking up "freaks."

3.—Interfere with the specialised routine of production or distribution.

In brief, to-day is THE AGE OF THE SPECIALIST IN BUSINESS. The biggest, most successful houses have built up on some line of specialization (not always evident to the outsider.)

And, from your own particular point of view, the application is:—

When you go out on your own, in what line do you intend to specialize?

This should not be left to chance or the "inspiration of the moment."

(To be continued.)

Economic Progress in America.

By MICHAEL RENTON.

NOTHING is more necessary in the attempt to realise the signfiicance of American life and progress in relation to world civilization than a sense of background.

For most English readers the great Confederacy of the United States is an enigma beyond all understanding—a welter of races that are somehow one people; a continent that is somehow a nation; a land of superabundant wealth and opportunity, where one in every seven of the population has a motor-car, the *El Dorado* of the emigrant; in fact, a land which has been represented to us recently as the paradise of the working man.

It is in sober truth a New World, full of the most amazing contrasts with the Old; and in nothing more remarkable than that in the midst of world depression it should be enjoying unexampled prosperity.

It is the great merit of Professor Walter Jennings' *History of Economic Progress in the United States*, that it supplies this indispensable sense of background.

In this work of over 800 pages he provides a complete survey of American industries and economic conditions extending from the early settler days down to the present time. The subject is treated in five main parts, in each of which he deals successively with growth of population, agriculture, manufacture, commerce, finance, and the whole trend of financial policy. Although the book is intended principally for the use of college students, it is of the greatest interest to business readers.

* A History of Economic Progress in the United States. By Walter W. Jennings, Ph.D. Price 15s. net. London: George G. Harrap & Co. Ltd.

The final section covers the record of twentieth century progress, and includes important studies of the tariff, combination, and labour movements of the period.

Contrary to the general idea in this country, the trust form of organisation has on the whole been definitely unsuccessful. "When the Census Bureau investigated 183 industrial combinations in 1900, it found that 62 had paid no dividends. Of the 92 which paid dividends on preferred stock, 62 paid no dividends on common stock. Of the total, one-third paid no dividends at all, and another third paid none on common stock." Later statistics which are referred to in detail confirm this experience.

Another outstanding chapter is a study of the conservation of wealth, and this reflects an aspect of American life that is rarely brought before us, and may well give would-be emigrants pause.

"Great suffering still ensues from lack of equitable distribution. In ordinary times one-tenth of our population lives below the poverty line and is rightly referred to as the 'submerged tenth,' and in our cities one-fourth of the population has insufficient income to maintain the body in physical efficiency."

Could anything condemn more severely our present civilization? asks Professor Jennings; and again he observes: "If the life of the poor is not made better, if their opportunities are not enlarged, radicalism will seize our people and we may become another Russia."

A sinister side of American social life is reflected in some statistics on the white slave traffic. "Young girls disappear in this country at the rate of 65,000 a year, going in large part to the houses of prostitution, to commercialized vice."

It will be seen that "the land of the Almighty dollar" remains very much of an enigma.

Concentration.

IT has been said that the world needs a few people who can do many things well, but it needs many people who can do one thing well. Concentration brings the best results, and we need not mourn because we cannot do the work our neighbour is doing, if only our own occupation is a useful one and we are putting into it our best thought and skill. Great and small are only relative terms, and any work that ministers to the welfare of mankind—the part of mankind that is right around us—is well worth the doing.

The Reward of Labour.

NO system can make the rewards of labour exactly equal to each labourer; skill and good workmanship will always command the highest price. Every hour holds sixty minutes and no more—whoever uses it, but one man can put four pound values where another can scarcely put a shilling value. It is quality and not time that makes the worth of our work; not how many hours we spend, but how much skill, knowledge and thought we put into it. There are many busy idlers.

Organisation in the Coal Trade.

By H. MORRIS.

THE story of the coal strike is still in the news and with news as such " Business Organisation " does not specially concern itself. But during the public discussion on this unfortunate business, suggestions and counter suggestions have been made which are of peculiar interest to our readers.

Ostensibly the dispute is about wages and hours. The men want more and the owners desire to pay less. So far the situation is familiar enough. It represents one more chapter in the endless volume of commentary on the relations of two parties to a bargain where the interests involved are occasionally parallel but never identical.

The spectacle of capital and labour at odds with reference to the partition of the profits of industry is no new thing.

But in the course of the argument some remarkable allegations have been made concerning management. For instance it has been said that some mines succeed in making 10/- per ton profit and that others make a loss on every ton of coal at current prices. It is alleged that the profitable mines are well managed and that the unprofitable ones are mismanaged.

The blessed word " re-organisation " has been uttered and appears to conjure up before some eyes a spectre and before others the vision of a deliverer.

Labour is beginning rather incoherently but none the less forcibly to demand good management. In effect it is saying to capital: You must try harder to make good profits in order to share them with us in the form of wages.

> " Miching Malecho—here is a matter for a May morning with a vengeance."

The idea that the enterprise and cupidity of capitalists will be sufficient to stimulate them into obtaining the highest possible profit out of an industry is seen to be fallacious. It is a curious corollary of Ricardo's doctrine of rent. A high rent for a farm necessitates expert farming. A high rate of wages for mining will need expert mine organisation.

Now in this demand for better management of capital and more profits there is an aspect of novelty, a new attitude of mind which may be of far reaching importance.

Government is being implored in some quarters to take over the mines, to insist upon their re-organisation, or at least to exact from the mine owners a promise of re-organisation.

On the other hand, grave doubt is expressed as to the potential profits of re-organisation. A complete merger of all coal mining interests might enable the miners to get a higher price for coal in the home market. But that would not be advantageous to trade generally and might be disastrous for certain industries, particularly iron and steel manufacture, which depends upon cheap coal.

Meantime something very much more important and useful is waiting to be accomplished, namely the introduction of an altogether new standard of efficiency in coal getting and coal transport.

When it is realised that hand labour in hewing with a pick is still largely in use for coal getting, and railway transport at 13/4 per ton for the means of conveyance, it must surely be apparent that some improvement is needed.

Some years ago an English Civil engineer was given the task of removing the lumber from a forest in Greece to the sea board. After examining various suggested transport schemes he ultimately decided upon the overhead gravity method. He fixed up many miles of wire rope on poles running down at a very gentle gradient to the sea. Cradles suspended from wheels carried the lumber which sped down the hillside to its destination with remarkably little supervision and no fuel charges. And the cost of transportation worked out at one farthing per ton.

Such a method is not of course applicable to coal transport generally in this country but it might be tried in certain districts, and it illustrates the immense difference in cost which sometimes results from a departure from stereotyped methods.

The solution of the coal problem, which is really the vital problem of feeding our industries with cheap fuel, is to be sought in the discovery of less expensive methods of coal winning and coal transport.

It is quite likely that when this has been achieved by improved machinery and improved organisation, the standard of wages and of living among miners will be materially raised instead of being lowered.

A Solar Motor.

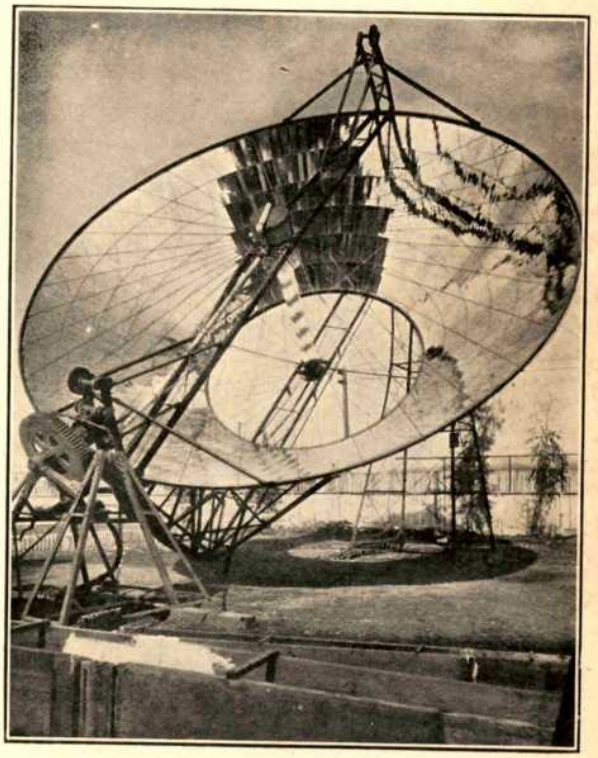
Making Old Sol Work for Man.

THERE have been many attempts to harness Old Sol, to make him work at man's bidding, so that his rays, trapped and put to new uses, shall take the place of coal as a producer of motive power. Clever minds in all ages have been at work to devise the necessary trap. Several more or less practical machines have resulted, but none so perfect, so full of promise, as the great sun motor now engaged in storing up the sun's heat at Pasadena, in California.

By the sun's heat, water is boiled, the steam working a powerful engine, capable of pumping some fourteen hundred gallons of water a minute.

From a distance, the Californian sun motor looks like a huge open umbrella, inverted, and with a piece sawn off its top. It is balanced on a high, steel framework, and is set at such an angle that it will catch the sunbeams on its 2,000 mirrors. Each of these mirrors measures two feet in length, and three inches across, and reflects the sunshine on to a long cylinder, corresponding to the handle of the umbrella, which holds a hundred gallons of water. The boiler is made of steel, covered with a heat-absorbing material.

The hot, persistent Californian sun that shines almost every day of the year, when reflected from the mirrors on to the boiler, causes such heat that it is possible to obtain 150 lbs. of steam pressure in one hour from cold water. When the machine is made ready for work—a task for a boy, who has merely to turn a crank until an indicator shows when the sun is truly focussed on the mirrors—it will move round so that its face is kept turned to the sun all day, without further manipulation, under the force of an automatic engine. The boiler is automatically supplied with water, a safety valve releasing the steam if the pressure should become too great.



[from Block produced by Central Process Engraving Co

All day, every day, from an hour after sunrise to half-an-hour before sun-down, this tireless heat concentrator keeps its shining face turned to the sun, storing up an energy which may be put to almost any use. It works, under the powerful Californian sun, as well in winter as in summer.

It is not surprising that this exhibition sun motor in California has attracted the attention of leading engineers from all parts of the world. Among the orders for sun motors that have been placed with the company which owns the patents are some from the big mining companies in Arizona, South America, and India. Thus Old Sol is being made to do work for man in a way he little dreamed of a year or two back.

Losses from the Coal Stoppage.

Effect on Foreign Trade—Bill yet to be Paid—Tin and Tin Shares.

By OUR FINANCIAL EDITOR.

"The folly of Industrial Battles such as these does not require to be stressed; . . ."—hence our purpose here is to examine and analyse.

THESE notes are written on the 140th day of the coal stoppage. How is that prolonged dispute in a vital industry affecting our national well-being and wealth? On the surface it would appear to have caused infinitely less disturbance than anyone would have dared to hope if told on May 1 of this year that the stoppage would last for so long a period. Although this superficial resilience of our economic life has deluded one or two Cabinet Ministers into an equally superficial optimism, people engaged in business and industry would be very unwise to neglect the truth that loss of production in a great industry (whether coal or iron or cotton) for nearly five months is inevitably attended with serious results whether they are immediately visible or not. If the coal dispute is settled by the time these notes appear in print, and we hope that it may be, the nation will still have a very heavy bill to foot. The apparent ease with which the country has borne the stoppage so far is delusive; and it is only by opening our eyes to the real facts that we shall be able to deal with the trade difficulties that will follow the long idleness of the mines.

FOLLY OF INDUSTRIAL STRIFE.

The folly of industrial battles such as this does not require to be stressed: hence our purpose here is not to preach but to examine and analyse. What has the coal dispute cost the country? Some extraordinary computations have been made in and out of Parliament. Most of these are, for reasons which we will give, almost comically excessive. That is a fortunate fact for us as a nation. A headline in a newspaper stunt puts the loss, for instance, at £280,000,000 up to September 15. A sum such as that—about one-quarter of the entire national income *for four months*—would be a staggering loss if we had sustained it. Things are not so bad as that. This painting of the picture in colours too sombre arises from a wrong conception of what is actually loss. It comes from calculating wages, owners' profits, merchants' profits and all sorts of other factors, some of them over and over again, so as to reach an impressive figure. But such an over estimation is as dangerous as under estimation.

THE SUM LOST BY THE COAL DISPUTE.

Let us try to get the thing clear. There has been an obvious loss of income to the owners and the miners, which on the coal production figures given in the Report of the Commission and the proportions of wages in the industry to payments to owning interests, may be taken, on the ruling prices of coal in the period of the stoppage, to be about £80,000,000. Shipping, coal middlemen, mineral transport on the railways and the roads have amongst them, at a rough estimate based upon various figures in the same Report, suffered a total loss in the neighbourhood of £60,000,000. Bearing in mind all the subsidiary uses of coal, this is the most that we can bring the loss of income up to. What does such a loss of income involve to the country?

To the losses of income there have been various actual set-offs and some expedients which act as set-offs but are really postponements of the evil day when the consequences have to be faced. In the first group are the saving of fresh losses to those coal mining firms who before the stoppage were, in fact, carrying on their production at a loss and also the profits which have subsequently been made upon handling imported coal. Anyone used to calculating business returns will see that these are clear gains but are not on a very large scale. In the class of expedients comes the various relief payments made to the unemployed miners' families from state, municipal and poor-law funds. These have been very large during the stoppage and have minimised enormously the net loss of income to the mining employees. But they are, as we said, drafts on the future: the bill is still to be met.

The only relief of the wage loss which is an actual set-off is that from the miner's trade union and his own savings and from other people's charity at home and abroad. Here it is that we see why the coal stoppage has been attended with a delusive calm and a sense of unexpected lack of discomfort. Our social system has been all the time easing the burden of loss of income in a variety of ways. I should be sorry, however, to give the impression that, even with all the soothing forces of relief at work, the stoppage has not meant terrible suffering both to miners and their dependents and to the tradesmen whose living is gained from active coal pits. In the 20 weeks and more untold privation and hardship have been encountered, but our network of social assuagements has prevented the burden from becoming intolerable.

EFFECTS ON NATIONAL PROSPERITY.

The problem for us all in the immediate future is to make our businesses and professions lucrative by the best use of our powers, and the coal stoppage will make that more difficult whenever and however it is settled. Take the position of the country's international trade. Coal is a vital export Every year it goes away in millions of tons to pay for part of our food imports. This year, so far, some 20,000,000 tons less will have gone, and we shall have to make up their value either by other trade exports, or by exporting gold, or else pay by cutting down consumption here or paying excessive money rates. In June and July our foreign trade figures were better than we had any right to expect. But in August the inevitable occurred and the excess of imports over exports of all kinds rose alarmingly, the figure being £42,710,000 against £17,195,000 in August 1925. This reflects the loss from coal exports (the other side of which is coal imports) and the slowing down of other exports because of this long drawn calamity.

In consequence of the bad development in our export trade the City is already beginning to visualise a loss of gold in the autumn and possibly a 6 per cent. Bank Rate. Every addition of 1 per cent. to Bank Rate costs industry about £6,000,000 per annum, so we cannot contemplate a rise to the phenomenally high rate of 6 per cent. without forebodings of great loss to industry and greater unemployment. If the sterling exchange for other gold currencies weakens further, then there will be a real danger of gold being taken from the Bank of England in heavy amounts to take the place of the missing coal exports. If gold goes the Bank Rate will be raised to protect the reserve, and if the Bank Rate goes up then trade will be faced with new difficulties. Fortunately these are all " ifs " and I have every confidence that, if there is a prompt settlement of the coal problem, they need not all materialise Meantime, the nation is already paying some of the costs of the coal trouble in the heavy weekly issues of Treasury Bills at high discount rates and will have more to pay in future.

BRIGHTER TRADE BEFORE LONG.

Although so far I have tried to stress unpleasant realities I am incurably optimistic about the future of British trade. I believe that the coming year will see its revival and I would urge investors with money at hand to buy the shares of sound industrial concerns which are now at depressed prices by reason of the trouble in the coal industry. Railway preference stocks, many coal and iron shares and the best of the shipping shares are attractive at present values. Our trade is bound to mend when coal is again being produced, for world factors are in favour of a resumption of foreign buying. Look abroad at the good promise of the harvests; look at the internal prosperity of the United States which goes from good to better and lessens her competitive eagerness abroad; look at the growing effort of Russia to trade with this country; look at Germany's increasing activity which means that she will come more freely to our markets for cotton and woollen goods, for rubber and tin; look at the growing peacefulness of the Far East. All these are good signs. We may lift our hearts and dare to be optimists even in the midst of our present troubles.

TIN AND TIN SHARES.

Among the most interesting of the speculative markets this autumn are those of tin and tin shares The commodity has recently shown remarkable strength and in Mid-September reached £316⅝ per ton, for standard on cash terms. This price is a record for several years. In the past 20 months the price of tin has varied greatly, but nothing like the fluctuations of 1924 have taken place. In that year it had a rise to £300 in the Spring, but a slump followed and the average price of the year was nearer £200. In 1925 the prices were consistently better and the average of the year was between £240 and £250. The present year, although it has seen fluctuations, has been marked by a consistent upward tendency for the commodity.

For some months now dealers in the commodity have been forecasting a rise to £350 a ton. They base their optimism on the strong statistical position, small visible stocks being joined with steady consumptive demand. It is perhaps wise to discount this optimism a little.

A rising market always brings in speculative buyers and confuses the real and consumptive demand. Tin has already attracted large buyers who want profit and emphatically do not want the tin. This will soon create a top-heavy condition in the market. Moreover the genuine consumer soon begins to go on to hand-to-mouth buying when he sees the market going so strongly against him. The position, therefore, is not too healthy and no one should speculate in tin who does not thoroughly understand the market.

As to tin shares, the market is not on a very wide basis. In consequence, price fluctuations in the shares are often too rapid and pronounced. Bearing this in mind, the speculative investor has a good chance of turning an honest penny in this market. One would not venture to advise particular shares beyond saying that the high-priced leaders are generally the safest purchases. Indeed, the only really good counsel to give the speculative investor is that he should follow the general production statistics and the commodity price and at the same time make a careful study of the records of individual producing companies. In such a limited market this is not really very difficult to do.

PUBLIC SERVICE.

KEEP this motive before you of public duty and public service, for the sake of the Empire, and also on your own account. You will find it, I believe, the most ennobling human motive that can guide your actions. And while you will help the country by observing it, you will also help yourselves. Life in itself is but a poor thing at best; it consists of only two certain parts, the beginning and the end—the birth and the grave. Between those two points lies the whole area of human choice and human opportunity. You may embellish and consecrate it if you will or you may let it lie stagnant and dead. But if you choose the better part, I believe that nothing will give your life so high a complexion as to study to do something for your country.

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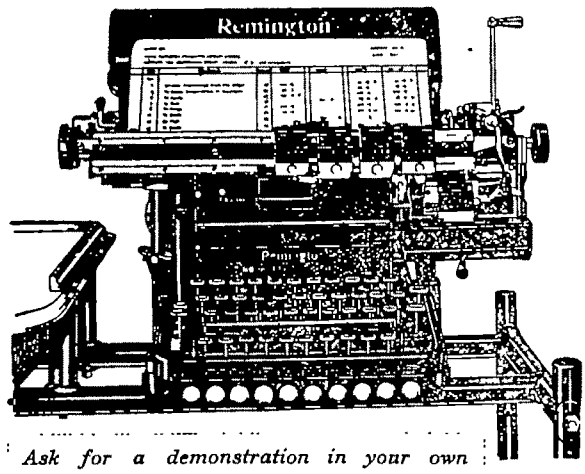

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Representation of Business Facts.

A further Article concerning the various methods of interpreting Business Facts, and presenting them in the most readable and interesting fashion.

By LESLIE BIRD, The International Research Bureau.

IN the previous article, the writer mentioned the Town Comparison Charts, with which we head this article. These Charts enable the reader to visualize the importance of seventy nine County Boroughs. The one thousand five hundred figures from which these Charts were compiled, required very careful presentation, in order to enable any one figure to be comparable with any other, at a moment's notice. Success or failure rested with two facts; firstly, the method of presentation, and secondly, the choice of scale. For comparing figures denoting quantities, the ordinary Bar Chart is generally most satisfactory. Usually the columns are stood side by side and the value is determined by the height of one Bar above the other. As an example, we reproduce in fig. 1 a number of Bar Charts prepared for the publishers of the Herts Advertiser, in order to show how their circulation compares with number of houses and number of families. The original was reproduced in two colours, the columns now reproduced solid black were red. Incidently, we might here point out the extreme care which is necessary, in dealing with two colour blocks, to get the register correct. If the red block had been slightly lower than the black, the whole value of the Chart would have been destroyed. These little points have to be watched very carefully in reproducing any statistics whatever.

As the problem before us in presenting the Town Comparison Charts, was one of comparing statistics, it was decided to employ the Bar Chart. In cases, where the number of figures is large and the variation considerable, it is often an advantage to work from the middle point. This gives a wider scope than the ordinary base line,

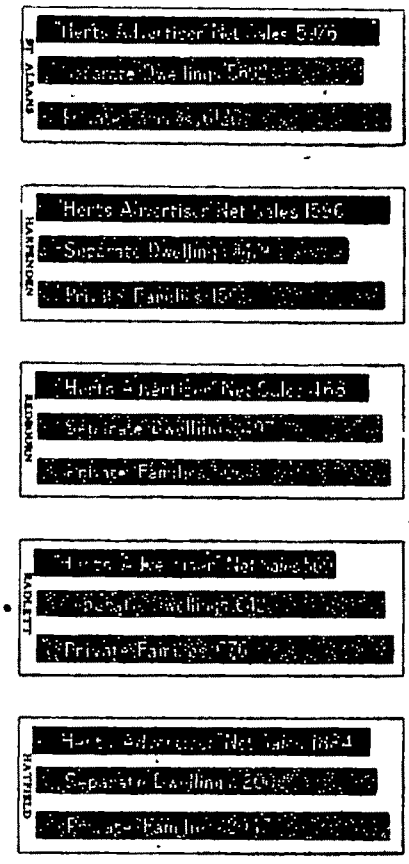


Fig. 1.

as both positives and negatives can be indicated. Fig. 2 is taken, by courtesy of the publishers, from the booklet "Ever Widening Circles," issued by the Hexham Courant. This Chart shows clearly the effective buying population, *i.e.*, those over fourteen years of age as distinct from the younger inhabitants. This is equivalent to positives and negatives values.

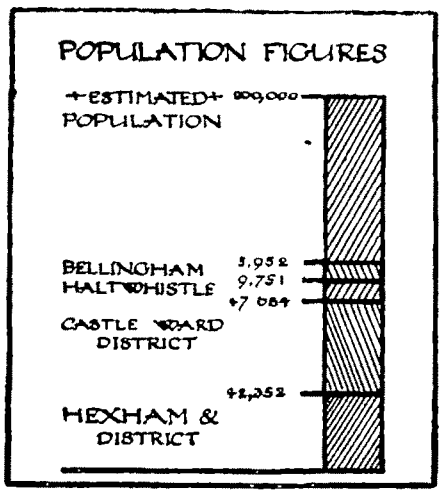


Fig 2

Even bearing this in mind, the Town Comparison Charts offered a further problem. The value of figures in each section, required a different scale. This will readily be seen from the facts that our figures varied from 919,444 to 0.7. To overcome this difficulty, it was necessary to adopt suitable index figures for each column, which would bring the majority of these statistics within range of 100 and 100. This solves the problem of choice of scale, which must always be taken into consideration. Just to emphasize this point, we reproduce two curves plotted from the same figures (figs. 3 and 4). It is possible for the Chart to be very misleading, if such a scale is chosen to give a sharp upward curve, where a more gradual rise would better portray the actual conditions. In our choice of index figures for the Town Comparison Charts, we have been able to place before the readers, a visual epitome of each town with special reference to the appeal on which the sale of the article depends.

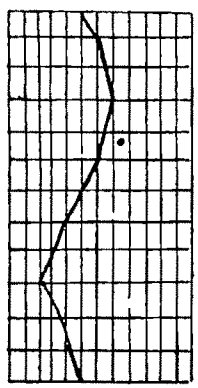


Fig. 3

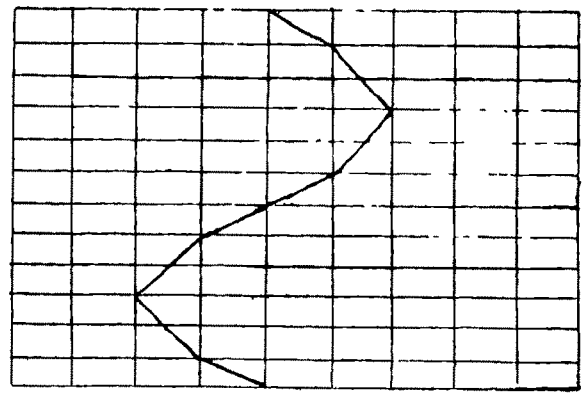


Fig 4

The Bar Chart can also be used to indicate how a total figure is split up into subdivisions. In this case it is called 100 per cent. Bar Chart. Fig. 5 shows the total population of an area. This was not all that was required however, it being desirable to show what proportion of the total population dwelt in the main towns. This is indicated by marking off the population at scale lengths. It does not always happen that the information to be split-up in this fashion, takes the form of statistics It may be details of an organisation showing its branches. This

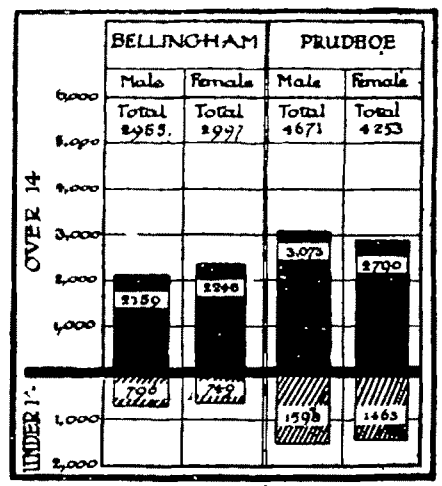


Fig. 5

type of information can be best shown by means of a Genealogical Tree Chart (fig. 6). Here we have the various channels, which build up the business research department, indicated in Chart form. The main sources of information are shown split-up in other further subdivisions.

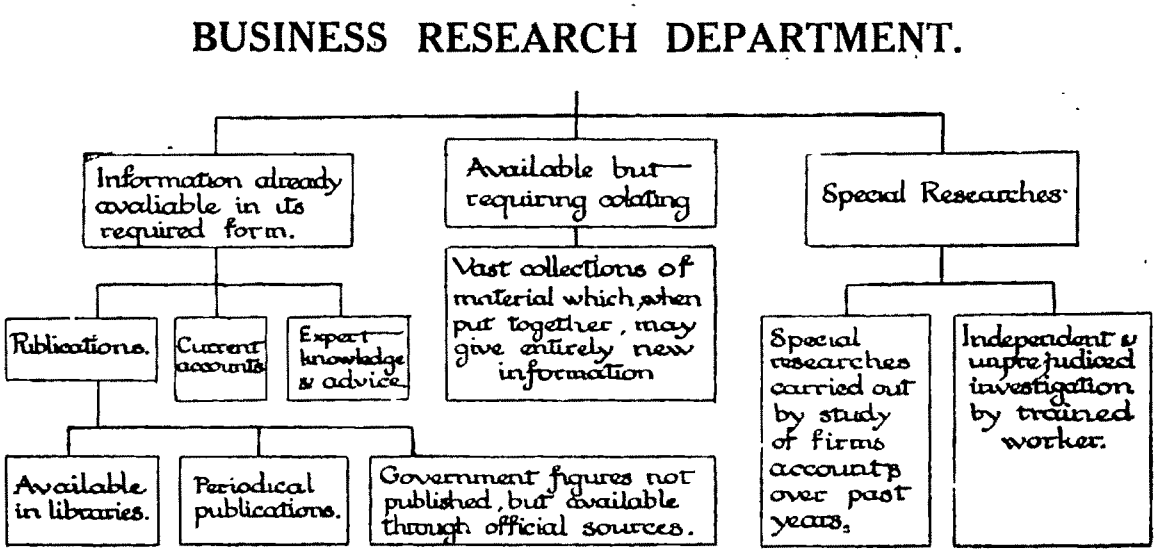


Fig 6.

The presentation of facts however, is not limited simply and solely in connection with the inside work of a firm. Every kind of advertising is really a form of presentation of business facts and by looking into current advertising, we can find a number of unique examples of presentation. For instance, we reproduced herewith in fig. 7, one of " His Master's Voice " Gramophone advertisements. The fact which they wanted to bring out, was, that their new gramophone extended the range of musical reproduction by 2½ octaves. No amount of words could possibly indicate the fact as clearly as the pleasing illustrations given in the advertisement shown here. Many uninteresting advertisements could be made extremely telling by the use of such ingenuity, and many points stressed by many paragraphs of type, driven home at a glance by suitable pictorial or graphic presentation. In this connection, it may be well to point out the absolute necessity for experience in handling such work. A man who lives amongst charts and statistics is often able to see golden opportunities for the production of telling illustrations.

A sword, a spade and a thought should never be allowed to rust.

No man is such a conqueror as the man who has defeated himself. HENRY WARD BEECHER.

The Standard of Living.

By H. A. SILVERMAN, B.A.

"Standard of Living" is a very ambiguous term, and the more we examine it the less certain we are of its exact significance.

WE showed in the previous article that the conditions of employment and the remuneration of labour were closely interrelated, and that neither could be properly studied without reference to the other. We emphasised, for example, that when the technique of industry was but little advanced and a man's specific productivity comparatively small, the average worker was mainly interested in the money income wherewith he could buy the primary necessaries of life. But, with the development of industry, with the improvement in the efficiency of individuals in particular and of organisation in general, the worker's attitude somewhat altered. While he still endeavoured to augment the number and quality of articles figuring in his weekly budget, he became increasingly concerned with the conditions and the environment in which he worked, and even more with the number of hours that he had to put in. As his wages increased, his insistence on decent conditions grew more pronounced. At a certain point in his income he might decide to forego an addition to his money wage, deliberately preferring a reduction in the working hours. As previously stated, he would rather buy a greater amount of leisure than of commodities of a more tangible kind. Thus the standard of working becomes inseparably bound up with the standard of living and the position of the worker, and his status relative to that of other workers, came to be judged by reference to the two standards.

AMBIGUITY OF THE TERM.

"Standard of living," however, is a very ambiguous term, and the more we examine it the less certain we are of its exact significance. The standard of living is claimed to be higher in the United States than in England; higher in England than on the Continent. The standard of living of the professional workers is said to be higher than of the artisan classes; that of some artisans higher than that of other manual workers. Even within a sectional grade of society, the standard of living may vary from family to family, and from person to person.

It helps us towards precision if we distinguish between the *actual* and the *desirable* standard of living. By the former we mean simply the amount of income and expenditure as it is actually found; by the latter we mean the amount which, in one's opinion, should be enjoyed. The one is a fact, the other is an estimate of conditions as they ought to be. When, therefore, we hear it stated on the one hand that the standard of life of the doctor is higher than that of the mechanic, and on the other that the wages of the agricultural labourer are below the standard of living, we must realise the two distinct senses in which the phrase is used. In the one instance there are stated to be different standards of living as actually experienced. In the other there is indicated, but not defined, a standard of living below which, by implication, the wages of the labourer should not be allowed to fall.

THE SUBSISTENCE LEVEL.

But this standard of living to which wages are expected to conform is an elusive ideal; what is just acceptable to one set of people would spell luxury for some classes, yet would be scorned by others. Is there any definite basis on which the standard can be laid? One tangible criterion that suggests itself is the cost of subsistence, which may be said to provide the irreducible minimum below which the income cannot fall. But subsistence itself is a vague term. If it is taken to mean the bare minimum of food, clothing and shelter that is indispensable to the maintenance of human life, with nothing over for the conventional necessaries and comforts, it is doubtful whether this basis would commend itself to social reformers. Many workers are admittedly very badly paid, but their wages are not so abnormally low that they cannot afford a

cup of tea or a postage stamp, neither of which would be allowed for in a scientific calculation of the physical necessaries of existence. In fact, if the standard were assessed exclusively by reference to proteins, carbo-hydrates and similar things beloved of a certain class of social scientist, the sum required to obtain the minimum would be considerably below the wages enjoyed by the masses of the people at the present time. To base the desirable standard of living on this crude subsistence level would convey little consolation to those workers who, while undoubtedly underpaid, are for the most part already receiving more than the minimum essential for mere existence.

THE MAXIMUM ECONOMIC EFFICIENCY LEVEL.

A more reasonable basis of the desired standard of life is the income that is essential for maximum economic efficiency. This income would enhance the position of the worker, and, although it would represent a nominal addition to the wages bill, would actually reduce the real cost of labour to the employer, for the improvement in the health and physique of the worker would be bound, as a rule, to react upon the quantity and the quality of his output. Such a wage, therefore, would appear, on first consideration, to provide a satisfactory basis of the standard of life. It would seem economically practicable and socially desirable.

But, on further examination, even this basis is found to be deficient. There is a maximum to the amount of work a man may do, but that does not mean that the maximum productivity of an industry is reached at the same time. Improvements may be made both in the internal organisation of a firm and in the external arrangements of an industry, not in any way due to improvements in the quality of the individual worker. Indeed, as already pointed out, the technique of production may be advanced to such a stage as to permit of a reduction in the hours, and perhaps in the intensity of a man's labour. In other words, the national product may be vastly increased for reasons largely independent of the efficiency of labour. Nobody would seriously contend, however, that the worker should have no share of that extra output which is due, not to any person's specific effort or conscious direction, but to the general external economies that develop, spontaneously as it were, in the course of industrial evolution. Much of the advancement of our economic methods is due, of course, to deliberate enterprise and inventiveness, which should receive an appropriate reward. But there are many institutions and facilities, such as transport systems, educational and research centres, banking and credit arrangements, etc., which add to a country's industrial efficiency, the benefit of which should be shared by all classes of the community.

The maximum efficiency wage, then, is open to the objection that, in its rigid form, it permits of no further progress in the worker's standard, once he has reached the stage when his specific productivity cannot be further increased. If the national income stopped increasing at the same point, there would be no objection to this wages scheme, but, as we have attempted to show, the total product, which is the total income, is likely to go on increasing for reasons unconnected with the efforts of individual workers. To fix the *amount* going to any class would, with the progress of our economic system, reduce the *proportion* of the total that they receive.

THE INDEX NUMBER METHOD.

We may note, incidentally, the somewhat similar objection that is commonly raised against the calculation of wages according to the cost of living index number. It is maintained that a wage determined in this manner tends to fix the standard of living of a particular group, and that, as the national income increases, the relative share going to these workers shows a decline. The system is criticised as being non-progressive in character, and holding out no hope of real amelioration.

Another criticism, coming from a different quarter, is that the index number method is essentially uneconomic, for wages are governed ultimately, not by needs, but by productivity. At the time selected for the basis of calculation, the product of one set of workers might sell for twenty per cent. more than that of another group. At the end of (say) two years, the position might be reversed. If the index number system were retained, it would mean that the workers whose product now sold for more than before would be getting no increase in their wages. On the other hand, those whose product sold for less than before might be compelled to accept a reduction in their wages, for the employers might not be in a position to reward them at the original rates. It is true that the workers in the trade that encountered better times would probably press for an increase in their pay, but this only goes to prove the inadequacy of the index number method as a normal scheme. In times of emergency, or of rapidly rising of falling prices, the system has its advantages, but it is entirely inadequate as a means of permanently regulating the rates of wages.

PRODUCTIVITY THE ULTIMATE BASIS.

We are driven back, then, to the statement that no system of wages can be successful unless it is related directly to productivity. The governing influence over the wage is not what the worker requires to spend, but the value of what he produces. It is true that the efficiency of the individual and that of industry as a whole are inseparably bound together, and that it is impracticable to assess the value of a person's specific output. And, as we have suggested above, much of the total productivity is not due to individual effort at all, but rather to the collective economic organisation which has evolved along with society itself. Nevertheless, the obvious fact remains that no more can be paid out in income than what is produced. Truism though this may be, it is ignored by people who speak of the standard of living as if it were an independent determining factor. The standard of living is a *result* rather than a *cause* of the magnitude of one's income. It is not denied that, once a person has enjoyed a certain standard of living, he will be loth to give it up, and, if circumstances compel, may be willing to work harder than before in order to retain his habitual style of expenditure. To that extent the standard of living may indirectly affect one's rate of remuneration, but such conditions are exceptional. As a general rule, one adapts the standard of living to the income that is earned, not the income to the accepted standard. If man had been content to produce merely enough to provide for the needs to which he had been accustomed, there would have been no progress. Fortunately his ingenuity has not been limited to satisfying any pre-established requirements, and the standard of living, as a result, has persistently advanced.

Self-Analysis.

SELF-ANALYSIS seldom proves anything. It is not what we think of ourselves that helps the world any, but what the world thinks of us, and the two opinions may be very diverse. To stop thinking of ourselves or worrying about what others may think of us, and simply and faithfully do the best we can, is to drop a useless burden and make the greatest progress.

I want KEEN AMBITIOUS MEN

Mr WALLACE ATTWOOD
F.R.E.S., M.I.P.E., &c.
Britain's greatest teacher of Salesmanship

850 progressive British firms are on my Register for Attwood-trained Salesmen from time to time. The demand is keen for men with backbone, grit and the right TRAINING in modern Salesmanship.

I do not care what kind of "dead-end" post you are in now—provided you have grit and backbone. I will lift you out of the rut, train you to become a first-class salesman (by postal tuition in your spare time), and introduce you to good firms for a post as traveller. Many Attwood-trained men are now earning

£500, £600, £800 & £1,000 p.a.

I will not only teach you how to sell goods "on the road." I will also teach you to sell your own services at the highest figure. And I will help you in the most practical way during your first three weeks "on the road." In no other direction can you get such a personal, FRIENDLY service.

—WALLACE ATTWOOD.

WE UNDERTAKE TO

1. Give you the most complete and thorough training in Salesmanship available including Practical Demonstration Instruction.
2. Train you to sell your own services (a unique feature of the MASTER COURSE).
3. Introduce you to firms of repute for a good post as travelling Salesman (**NOT** shop assistant)
4. Assist you during your first three weeks "on the road" by special instruction and personal advice (another unique feature of the MASTER COURSE)

If you have grit as well as ambition, write to me to-day for free book, "The Profession of Salesmanship"

—WALLACE ATTWOOD

THE
WALLACE ATTWOOD COLLEGE
(Dept. B.O.M.)
26, Bedford Row, London, W.C. 1.
'Phone. Chancery 7526.

FILL IN, and POST-DAY

THE WALLACE ATTWOOD COLLEGE,
26, Bedford Row, London, W.C.1

Please send me, free of charge, your 24-page illustrated book "The Profession of Salesmanship"

NAME . . . . .

ADDRESS . . . . . .

B.O.M.

Solving London's Traffic Problem.

Following on Chicago's example, London is to be provided with an underground goods railway system, linking up the principal goods stations, docks, markets, and the main distributing trade centres and consuming areas. It is a praise-worthy attempt towards solving the traffic problem of London, which is daily becoming more and more acute, by taking from the streets a vast amount of slow moving, heavy goods traffic.

By HAROLD J. SHEPSTONE, F.R.G.S.

THE details of a great engineering undertaking, which will go a long way towards solving the traffic problem of London and at the same time help to decrease the number of unemployed, has just been completed. It is a scheme to provide our great city with an underground goods railway system, linking up the principal goods stations, docks, markets, and the main distributing trade centres and consuming areas. Even the capital—a colossal sum of £32,000,000—required for the construction and equipment of the railway, has been arranged through the co-operation of important American and English banking houses, under conditions which provide for the distribution of the issue between the two markets.

The advantages of such an undertaking are numerous and there is little fear of anticipating any opposition to the scheme. Its construction is expected to take three years and will provide work, directly and indirectly, for 50,000 men.

When this new engineering feat is finished it will provide underground tubes carrying about 09 miles of track, linking up all the principal railway goods terminals with one another, with the London docks, with Hay's Wharf, and with all the main distributing trade centres and consuming areas in London. The line would be standard gauge, worked electrically by power from the existing supply stations, and, at the various points of reception and exchange, where contact cannot be obtained by gradient, would be equipped with electric lifts capable of moving one or more loaded wagons at a time.

Perhaps the best point of the huge undertaking lies in the fact that it will undoubtedly attract increased trade to the Port of London, which would result in untold benefits. Although London is the cheapest port in the world to enter, in the important matter of distribution after the cargoes have been landed, it is the dearest, a state of affairs which would be remedied by the erection of a goods tube railway. Another important factor to be considered is that the Post Office, which is in the midst of completing a tube from Paddington to Whitechapel, would be offered direct access to the new system, thus speeding-up postal delivery.

London, however, is not the first busy city to solve its traffic problem by the building of underground railways to be used expressly for carrying freight. This distinction belongs to Chicago which has been up to now the only city possessed of such a railway It was also erected for the purpose of solving its traffic problem and it has successfully remedied the congestion of Chicago's streets. Not a single passenger is conveyed over this unique system—only goods and mail. But this is where it differs from the suggested London railway, for ours will be used solely for carying goods as the Post Office, as already mentioned, will shortly have their own tube for mail conveyance. Fundamentally, however, London's new goods tube will be similar to that existing at Chicago, although it will be nine miles longer, the American railway boasting of a length of just sixty miles.

No city of its size is called upon to handle more freight than Chicago, which now amounts to over 100,000 tons a day. Here we must remember that no fewer than twenty-five trunk lines run into the city and that the business district where these lines converge only covers a comparatively small area—not more than a quarter of a mile square.

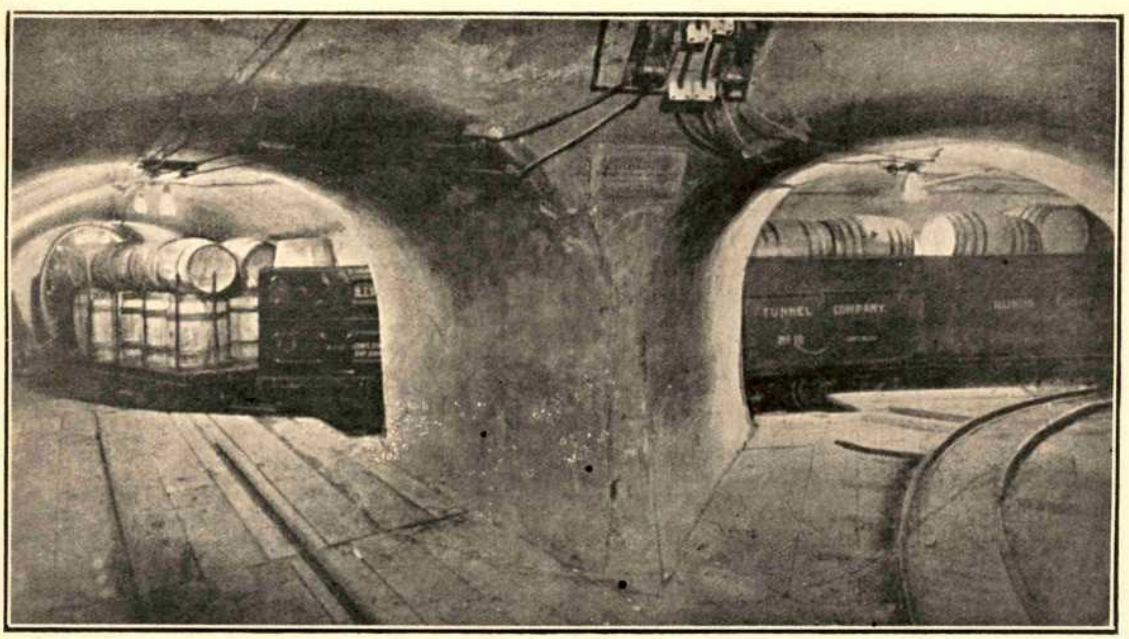
It was these conditions that led to the construction of a system of subways for the express purpose of carrying goods and thus relieving the streets of the congested traffic. Some anxiety was felt when the plan was first mooted, for Chicago, in a much greater degree than London, is built on a vast deposit of very soft clay, of a consistency resembling that of

cheese. Heavy buildings have to be supported on piles or concrete piers which pierce this clay until they finally reach bedrock, from 80 to 120 feet below the street level.

The engineeers got over this difficulty by running their subterranean lines down the centre of the streets, the level of the subways being some 46 feet below the road. The tunnels are of two distinct types—trunk tunnels and lateral conduits. The former follow the main routes of freight traffic, and the latter run out to the less important parts of the city. The main or trunk line tunnels are 14ft. 6in. from crown to floor, and 12ft. 9in. wide at the base; while the laterals are 7½ft. high and 6ft. wide. The trunk subways have 18in. cement walls and 21in. cement floors; the smaller conduits 10in. walls and 13in. floors. Embedded in this concrete are steel ribs of such strength that it is virtually impossible for any weight erected above to cause the tunnels to collapse.

The business houses and leading factories and stores of Chicago have found the railway invaluable, and London will no doubt find it equally indispensable when she will boast of an underground goods railway. Hundreds of the factories and stores of Chicago are directly connected with the subways. This means that goods are brought direct from the railway depots by the underground route right under the heart of the warehouses, and then lifted bodily in their trucks by elevators into the basement of the buildings. In the same way the leading hotels are connected with the system. All their stores and coals are brought to their premises direct by the railway, which also carts away their dust and debris. It is the boast of the stores connected with the subways that shoppers can rely upon any goods purchased being delivered to their doors within an hour from the time of ordering them.

A few years ago the railway officials secured from the postal authorities a contract for the transportation of the mails, and to-day one never sees a mail van in the streets of Chicago. All the letters and postal packages are conveyed from one post office to another by simply dropping the bags and packages down through specially constructed chutes to the subway level. Indeed, for this mail work alone the railway employs 66 electric motors and 115 cars. Last year the electric trains made 337,070 trips with mails through the tunnels to the various branch offices, railway stations, etc., transporting 10,659,567 bags, pouches, and packages of postal matter. Last Christmas Eve the railway was called upon to handle 50,447 bags and packages for the post office, which were delivered on time and without a hitch.



[from Block produced by Central Process Engraving Co.

Another novel use to which the railway is put is that of removing excavated material in the case of new buildings. A shaft is run up from the tunnel to the scene of the excavations, and down through this chute the workmen simply dump the debris, which is caught in waiting cars. This wastage is removed to the lake, and by dumping it here some nineteen acres have been added to the city's park. The system, of course, is electric, and the rolling stock at present consists of some 250 electric locomotives and 2,500 cars. The tunnels are lighted by electricity and the running of the trains is entirely controlled by telephone. The tunnels also carry telephone and telegraph wires, and the service is a twenty four hour one.

The railway has been built at a cost of £10,000,000 by private enterprise, and it is a paying concern. Compared to the £32,000,000 we are prepared to spend on a like scheme for London it seems a small sum. However, we must remember that Chicago's underground goods railway was built before the war and we all realise what a vast amount of difference the war has made on the cost of such great undertakings. That it will ultimately pay for itself is almost a certainty as anything can be.

I Know.

I KNOW that this day will never come again. Therefore I will make it the best day in which I have ever lived.

I know that happiness is a thing within and that it is always in the world and very near to me. *I know* I have but to search for it, and that as soon as I begin to hunt it out, I have it. Also, *I know* that as soon as I get happiness and begin to give it away it comes back doubled—and more, to me. *I know* this.

I know that work is a stimulus and that it keeps the world alive and moving. *I know* that the people who work with love in their heart and interest in their brains are the real doers and benefactors of mankind. *I know* that I can be a doer and a benefactor.

I know that life is exactly what I make it. *I know* that other people and other forces can influence my life and work only as I allow it. *I know* that I am young if I live youth; *I know* that I am happy if I live happiness; *I know* that I am worth while if I attempt and accomplish worth while things.

I know that the greatest thing I can ever do is to do my best at all time and under every circumstance.

GEORGE MATTHEW ADAMS.

L C Smith

The SILENT Standard Typewriter.

BALL BEARING

A GREAT EVENT IN TYPEWRITER HISTORY!

THE makers of the L C Smith standard typewriter and the makers of the Corona Portable typewriter have joined forces.

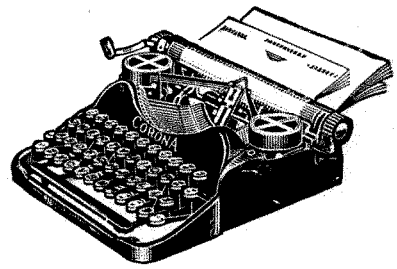
Both are specialists in their own fields.

The resources of each are now the resources of both.

Combined, these successful manufacturers can give a typewriter service that is complete.

The consolidated organization offers you the finest Office Typewriter and the finest Personal Writing Machine that can be built.

Corona



THE "Personal Writing Machine."

L. C. SMITH & CORONA TYPEWRITERS LTD

Aldwych House, LONDON, W.C. 2.

'Phone:—Holborn 1692.

City Branch:—19 QUEEN VICTORIA STREET, E.C. 4.
West End Showroom:—10 NEW BOND STREET, W. 1.

High Wages.

By W. H. WILLSON, B.Sc. (Econ.).

AUTHOR OF ARTICLES ON :—

"Banks," "Coinage," "The Sudan," "The United States of America," "Europe," "Cost of Living," "Unemployment," etc., in the *Harmsworth Business Encyclopedia*, 1924-25.

"*The Economic History of Argentina, 1910-25*," etc., in the supplementary volumes of the *Encyclopædia Britannica*, dealing with the period 1910-25 (shortly to be published).

The "Secret of High Wages" has been a much discussed subject; the Author delves below the surface in an endeavour to explain the causes of the contrast drawn between Great Britain and U.S.A.

WAGE disputes in the United Kingdom during the post-war period, and particularly the present dispute in the coal mining industry, have resulted in many enquiries into the factors governing wage rates in the United Kingdom and in other countries. The great increase in the prosperity of the United States of America has resulted in a high level of wages for its workers, and conditions in that country are constantly held up as a model for British industry. Investigations have been made into the "secret of high wages" in the United States, and the conclusion generally arrived at is that they are solely the result of industrial organisation and close co-operation between management and labour. American prosperity and high wages are contrasted with the lower wage rates and great volume of unemployment in the United Kingdom; the organisation of British industry is attacked as inefficient, British workers are branded as slackers, manufacturers are accused of uneconomic methods of production, and the country is said to be rapidly decaying owing to the ineptitude of its employers and employees.

It is necessary, however, to delve deeper into the factors governing wages in the two countries before definite conclusions can be drawn. Those who imagine that with better organisation and increased industrial co-operation the level of wages in the United Kingdom can be quickly raised to the level existing in the United States, are living in a fool's paradise. The organisation of British industry is doubtless capable of improvement, but high wages do not depend solely upon organisation. It must also be remembered that reports of conditions in the United States are often exaggerated. In "The Manchester Guardian Commercial" of June 17th last, under the heading of "A Business Man's Diary," it was reported that Thomas F. MacMahon, president of the United Textile Workers of America, declared before the Senate Committee investigating conditions in the textile mill-workers industry that the average weekly wage of workers in that industry was only 15.50 (approximately £3 4s.) This evidence conflicts with the general opinion in the United Kingdom that in America all workers earn over £7 per week, can run their own cars, etc. It is advisable, therefore, before entering into a discussion of factors governing wages, to give a brief outline of wage rates and cost of living in the two countries: and it must be remembered that real wages, i.e., wages expressed in terms of purchasing power, are more important than money wages.

REAL WAGES.

The following details, based mainly upon figures given in the British Ministry of Labour Gazette and the Monthly Labor Review of the United States Department of Labor, give a general outline of wage rates and the cost of living in the two countries. According to a study made by the National Industrial Conference Board of New York based on data collected by the International Labour Office, in October, 1925 real wages in Philadelphia were nearly double those in London (as 100 : 53). Such

estimates, however, should be viewed with distrust and not accepted as true for all workers, as is shown by the figures of wages and prices given below. Money wages are certainly considerably higher in the United States, but the cost of living is also higher.

In the coal mining industry the average earnings per hour of hand or pick miners and hand loaders in the United States in 1924 were 3s. 4d.; in the United Kingdom in September 1925 hewers received approximately 1s. 11d. per hour. The weighted average hourly wage rates for unskilled labour in all industries in the United States (according to figures given in the Monthly Labor Review) on January 1st, 1926 was 1s. 8d.; iron and steel workers and labourers in public utility services received 1.8¼; electrical machinery, apparatus and supplies, 1/8¾; and automobile unskilled workers, 1/11¼. In the United Kingdom (according to the summary in the report of the Coal Commission) in September 1925 labourers and semi-skilled men in electricity supply received 1/2 per hour; iron and steel, 10d. to 11d.; builders, 1/3; and engineers, 10½d.; the wages for skilled men, in many trades, did not equal wages for unskilled labour in the United States.

The following table shows the average retail prices of certain essential food articles in the two countries, and the percentage increase in the price of each article as compared with pre-war prices: United States prices are converted into English currency. All figures are compiled from reports received of actual selling prices.

UNITED KINGDOM.*			UNITED STATES.†		
Article.	Price.	% increase over July '14.	Article.	Price.	% increase over Dec. '13.
	s. d.			s. d.	
Beef, Ribs (British) ...	1 5¾ per lb.	78	Beef, Ribs (roast) ...	1 2¾ per lb.	49
„ „ (Imported) ...	10½ „	45	Bacon	2 0¼ „	82
Bacon (Streaky)	1 8½ „	82	Flour	1 9¼ per 7 lb.	85
Flour	1 6 per 7 lb.	70	Bread	1 6¾ per 4 lb.	68
Bread	9¾ per 4 lb.	70	Tea	3 2 per lb.	39
Tea	2 5 per lb.	58	Sugar (gran.)	3¼ „	24
Sugar (gran.)	3¼ „	63	Milk (fresh)	7 per qrt.	57
Milk (fresh)...	6¾ per qrt.	92	Butter	2 5¼ per lb.	48
Butter (fresh)	2 1 per lb.	71	Cheese	1 6¾ „	67
Cheese	1 3¼ „	77	Eggs (fresh)	2 9 per doz.	39
Eggs (fresh)	3 3 per doz.	167	Potatoes	1 6¼ per 7 lb.	189
Potatoes	7 per 7 lb.	47			

* Ministry of Labour Gazette, January, 1926 (figs. for Jan. 1, 1926).
† Monthly Labour Review, February, 1926 (figs. for Dec 15, 1925).

A study of this table shows that retail food prices in the United States are in general, higher than in the United Kingdom. The percentage increase also shows that wide differences existed in the prices of food articles in the pre-war period, and illustrate the fallacy of basing any argument upon precentage increases where the pre-war cost of living in each country is taken as representing 100. A comparison between money wages and the price of food articles also shows that average real wages in the United States are not double those in the United Kingdom. They are, however, considerably higher, and the problem exercising the minds of all thinking persons is whether it is possible, with better organisation, etc., for real wages in the United Kingdom to equal real wages in the United States.

FACTORS GOVERNING WAGE RATES.

The fundamental differences in the factors governing wage rates in the United Kingdom and the United States are generally obscured by the common talk of organisation and co-operation, and the vital importance of other factors is not realized. Any comparison between conditions in the two countries is impossible unless it is thoroughly appreciated that the conditions are not the same, and consequently that similar conclusions cannot be drawn.

The United States has an area of over 3,000,000 square miles and a population of about 110,000,000. Trade over this immense area is not hindered by tariff barriers, national prejudices, etc., and nearly every commodity required by the inhabitants is produced within the national

boundaries. The wonderful natural resources and fertile soil supply coal, iron, oil, copper, wheat, maize, rice, cotton, tobacco, etc., in abundance; the magnificent grazing provides feed for innumerable cattle, pigs and sheep, which supply meat, wool, etc.; and the great range of climatic conditions enables nearly every variety of tropical, sub-tropical and temperate product to be grown. This great area is protected from Foreign Competition by high tariff barriers, and some 85% of the total production of the country is absorbed by the home market. National industry is therefore mainly producing for a home market, and although in 1925 domestic exports exceeded £1,000,000,000 in value, they represented a value of under £10 per head of the population, of which only about one-third consisted of manufactured goods.

The United Kingdom (Great Britain and Northern Ireland) has an area of about 94,000 square miles—under 1/30th of that of the United States—and a population of approximately 40,000,000—about ⅓ of that of the United States. The natural resources, although very great in proportion to the size of the country, cannot compare with those of the United States, and foodstuffs are largely imported. The home market, unprotected by heavy import duties and exposed to foreign competition, only absorbs a small percentage of national production. The prosperity of the country and its inhabitants depends upon the overseas trade: in 1925 domestic exports were valued at nearly £775,000,000, about £20 per head of population. And of these about four-fifths consisted of articles wholly or mainly manufactured. British prosperity is therefore dependent upon the fluctuating demand from other countries for British goods, and is adversely affected by the increasing industrialisation of these countries.

The United States contains room for a much larger population than it has at present, and its natural resources yet remain to be fully exploited. Shortage of skilled labour has been a prominent feature in her industrial development, and was largely responsible for the very rapid introduction of mechanical means of production, as unskilled or semi-skilled workers could work the machines used in the production of manufactured goods. The great home demand enabled manufacturers to apply methods of mass production to industry, which resulted in the unprecedented utilisation of artificial power and mechanical means of production which is to be found in the United States to-day, and the consequent high level of money wages.

The contraction of oversea markets has resulted in the United Kingdom being over populated, for markets cannot be found for all the commodities which could be produced by her industries and workers. The population is rapidly increasing, but markets are not expanding in proportion, and it therefore appears improbable that the whole of our unemployed can be absorbed in the near future. The abundant supply of labour tends to keep wage rates low, and the existence of a very large body of skilled labour militates against the introduction of mechanical means of production on the scale employed in the United States. The absence of a constant heavy home demand has not encouraged mass production methods, and has resulted in British manufacturers relying mainly upon high quality goods. The heavy taxation also adds considerably to the costs of production and tends to lower wage rates.

CONCLUSION.

It can be seen from this brief survey that the factors contributing to the prosperity of the two countries differ very widely. Lower wages in the United Kingdom are not the result of lack of efficiency, but of forces largely beyond the control of either master or man. Under existing conditions it is useless for the worker to think that, by a process of industrial reorganisation, his wages can be greatly increased. They can undoubtedly be increased by better methods of production and by greater co-operation between capital and labour, but the only real solution to the problem lies in the expansion of overseas trade with the consequent rise in wholesale prices. This would result in the necessity for increased production, which would lead to less unemployment, higher wages, greater prosperity and an increased standard of living for the workers in industry.

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National Industrial Alliance

Being an Amalgamation of

The National Alliance of Employers and Employed

and the

Industrial League and Council

Founded 1915. Incorporated 1921.

(Incorporating The Industrial League; The Industrial Reconstruction Council; Industrial Information and Higher Production Council.)

for the Improvement of Relations between Employers and Employed

"The Industrial League is an instrument for widening toleration and for effecting a more complete understanding of recurring difference and rival interests."
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All correspondence to be addressed to the Secretary

(The National Industrial Alliance is responsible only for the matter of its own contributors.)

NOTES.

WE referred in our last issue to the important courses of Lectures promoted under the joint auspices of this Organisation and the Regent Street Polytechnic, on Industrial Administration and Works Organisation and Management. Our London members have been furnished with copies of the syllabus for the first and second year course, which commenced on September 29th. Full particulars may be obtained from the Education Secretary, National Industrial Alliance, 25 Queen Anne's Gate, S.W. 1.

* * *

National Alliance Classes.

THE attention of members is directed to the courses in Industrial History, and Economics which are arranged every year by the Alliance, and are conducted by fully qualified lecturers under Board of Education Regulations.

The classes are held in many parts of the country, and are open free to all members and to the nominees of member firms and Trade Unions. These courses will commence at the beginning of October, and applications for studentships should be made forthwith.

In London, new first year classes in Industrial History will be formed under Mr. T. Kennie, B.Com. and Mr. F. W. Lawe, M.A. (Hons. Cantab), each meeting weekly, the first on Tuesdays and the second on Thursdays for two hours from 7.15 p.m.

Second year and advanced classes for last year's students are to be conducted by Mr. T. Kennie, B.Com., and Mr. G. L. Schwartz, B.Sc. (Econ) respectively. Applications for London classes should be made to the Education Secretary as above.

* * *

AT the time of writing no solution has yet been found for terminating the devastating dispute in the Mining industry, and the changing aspects from day to day, render any comment at this time of little practical service.

We hope to include in the next issue an article by Mr. Mack Eastman, on the "International Aspects of the Coal Question," a perusal of which will serve to emphasise the ghastly waste of valuable time and endeavour which has been spent these last months on the "domestic" troubles of the industry. A conception of the world aspects of the problem of producing, selling and mining coal helps to restore perspective and impress the necessity for the British organisation to heal as rapidly and as permanently as possible its internal divisions.

CONCILIATION MACHINERY.
THE POTTERY TRADE.

By SAMUEL CLOWES, J.P., M.P.

(Secretary of the National Society of Pottery Workers).

"Twice only during its 8½ years of existence have the services of the Council been requested on wage questions." This laudable record fully justifies the claim that "the main objects of the Council is to improve and uplift the status of the industry throughout the country and to better the conditions for all associated with it."

ALTHOUGH in the Constitution of the Pottery Joint Industrial Council there is provision for the consideration of wage questions, it was considered on the establishment of the Council to be a wise procedure to continue the methods existing up to that time—that is, direct negotiations to be conducted between the Employers' and Workers' Organisation, the established custom in the trade being for annual Notices to be handed from one side to the other, six weeks prior to the 25th March, when any alteration in the rates or conditions existing, appear to be desirable. Such course was adopted to prevent any risk of strong feeling being roused through the discussion of contentious economic questions which might conceivably hinder the transaction of other business. In the light of experience, the Council is convinced that such a decision was a very wise one; the result has been more beneficial than was anticipated. Twice only during its 8½ years of existence have the services of the Council been requested on wage questions—in 1920 when its recommendations were adopted by both sides, and during the year 1924. On this latter occasion when negotiations came to a deadlock, a Special Meeting of the Council was convened and after a long session, a Special Committee was appointed consisting of six representatives from each side, together with three of the Honorary Members who had power to decide in case agreement could not be arrived at, each party agreeing to abide by the result of the Committee's findings. The Annual Notices were exchanged in the middle of February, 1924; the Report of the Special Committee of Inquiry was not received until the 16th July, 1924; but work was not interfered with in the meantime and there was no indication of trouble or unrest. It was decided by the Special Committee, with the full consent of the Manufacturers thereon, backed by their Federation, that for the guidance of the Committee a complete investigation should be made by an Independent Accountant covering comparative average selling prices, earnings, costs and aggregate profits in the Industry. The instructions to the Accountant involved a prolonged and exhaustive investigation extending over two months and the information contained in his Report, which, having been obtained from individual manufacturers under a pledge of secrecy has not been divulged except to the members of the Special Committee, was of the greatest assistance in enabling the Committee and the Honorary Members to arrive at decisions on various matters. For consenting to, and assisting in the Financial Investigation, a tribute is due to the Manufacturers; such a Policy was only rendered possible by reason of the "Whitley" spirit prevailing in the Industry.

As a direct effect of the Wages Inquiry in 1924, no demands were made by either the Operatives or Employers in February 1925, or in 1926.

As a result of the many Conferences on the Wages Negotiations, consideration has been gvien to the question as to what permanent machinery might be adopted for the adjusting of differences which may from time to time arise in the industry and it has been decided that the Manufacturers' Federation and the Workers' Society shall meet in Conference within 14 days after the exchange of wage Notices in any year, for the purpose of considering the respective demands. This will ensure a period of at least one month after the receipt of Notices in which negotiations may take place.

STATISTICS.

Object (j) of the Pottery Constitution provides for the collection of full Statistics on wages, making and selling prices, average earnings, the average percentage of profits on turnover, etc. This information from time to time is furnished by the Manufacturers' Federation to the National Council through its Statistical Committee.

The average percentage of profits on turnover has been supplied for the years 1913-1919 inclusive, the data being arrived at in accordance with bases fixed by the Statistical Committee. Owing to the difficulty experienced by Manufacturers in completing their accounts for the years subsequent to 1919 in consequence of the demands of the Government in relation to excess profits duties, it was found impossible to submit complete Returns for the years 1920 onwards. During the Wages Inquiry in 1924 when an exhaustive financial investigation of the industry was made by an independent Accountant, Statistics were obtained by him and included in his financial Report to the Committee of Inquiry as to profits on turnover for the year 1923. As a consequence, the Council decided to dispense with the Returns for the years 1920 to 1922 and the Manufacturers' Federation agreed that the Statistics obtained by the Accountant for 1923 might be submitted to and adopted by the National Council as the figures for that year.

Statistics as to Average Earnings per hour of piece-workers have been compiled and submitted to the Council; it was decided by the Council, however, that though the information obtained was very instructive, owing to certain anomalies which appeared therein, the Return should not be officially circulated but that Statistics relating to the various sections of the Industry be periodically obtained. More complete information on the subject was, however, furnished to the Special Committee of Inquiry by the Independent Accountant for the year 1923.

In 1922 a report in detail was submitted of a Census which had been taken of Journeymen and Journeywomen and Apprentices of both sex engaged in the various branches of the Industry, which contains information of a very interesting and instructive character shewing the ratio of males and females, the proportion of apprentices to journeymen, etc.

The Council will periodically obtain Statistics of a similar nature.

The Pottery Council was the first National Joint Industrial Council to be established, its first meeting being held on the 11th January, 1918. It consists of 60 members, equally representative of Manufacturers and Operatives, together with five Honorary and five Co-opted members. The expenses average £1,200 per annum, being borne equally by both Sections. In 1924 an additional sum of £1,600 was expended in connection with a Wages Inquiry and Financial Investigation. The Secretaryship is a full-time appointment.

In pre-war days the Industry was very badly organised; relations between Employers and Workers were generally not of the best, and conditions in the industry as regards wages and working conditions left very much to be desired. The Industry is now well organised, the percentage of Trade Unionists and of Federated Firms being very good. To secure the establishment of a Joint Industrial Council there must be at least 75% of the Industry organised.

The rate of wages have been improved and in many ways working conditions have been bettered. If the demand for Pottery was good or even normal, conditions in the Industry as a whole would be much more satisfactory, but owing to bad trade there is much unemployment and short time, with consequent low earnings in some sections of the Industry.

By designedly keeping itself free from the consideration of wage questions, the National Council has been able, through its various Commitees, to devote its energies to the main object underlying the Whitley principle—the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all engaged in it. For this purpose various Standing Committees are appointed with particular duties assigned to each.

Unquestionably the Council has done much, particularly through its Research Committee, to better conditions in an industry admittedly difficult to administer. Great improvements in the welfare and working conditions of the Operatives have been effected.

The Council is proceeding on the same lines as hitherto and is devoting earnest attention to the betterment of the conditions in the Industry. There is much to be accomplished. Co-operation ought to mean that Employers and Workers are making for the same goal, which should be common to all—the good of the Industry as a whole; the securing of the highest efficiency in every direction. The main object of the Pottery Council is to improve and uplift the status of the Industry throughout the country and to better the conditions for all associated with it; to secure better remuneration to the workers and a better return for the employment of Capital. With a continuance of the spirit of unity, co-operation and tolerance which has hitherto existed, there is every reason to believe that the ideals of both Employers and Workers will in due course be realised. The prospect of bringing about these ideal conditions, however, will be greatly increased *by every worker entering his Trade Union and every Employer his Association*, in order that whatever decisions are arrived at may be made generally applicable.

INDUSTRIAL STRIFE.

SOME CAUSES AND REMEDIES.

By Reginald Campbell.

THE General Strike forced very abruptly upon the Nation the subject of Industrial relations and revealed to an extent hitherto unrealized how strained they have become. If as a result of it we begin to appreciate how important is the maintenance of peace in Industry, good will have come out of evil and we shall have gone a long way to the solution of what is undoubtedly our most pressing problem. For this is a matter which has received far too little attention from those to whom it should be of primary importance and great concern. The loss by industrial disputes since the War, quite apart from the hardship caused, can to some extent be seen from the fact that the approximate average number of working days wasted has been seventeen millions annually. The figures for the last three years are 10½, 8 and 7½ millions respectively. It is time that these showed some improvement which might have been continued but for the General Strike and the prolonged Coal Stoppage. It is impossible to calculate the huge loss that these figures represent in wages to employees, in trade to employers, in prosperity to the Nation as a whole. The coal dispute, apart from Government subsidy, is involving the country in a loss of trade in the neighbourhood of £2,000,000 daily.

In spite of legislative efforts extending over more than three-quarters of a century, the forming of societies and the setting up of boards to promote the welfare of employees, improved working conditions and a far higher standard of living, industrial strife is probably now more widespread and acute than ever before. Can definite causes for this be established and remedies be found? This is the question we must ask, and upon the answer will depend whether it is only a question of time before our industries become bankrupt and we are reduced to starvation. The former possibility may seem remote and too absurd to contemplate, but it is obvious that it will be increasingly difficult and finally impossible for British manufacturers to meet fierce world competition when continuity of production is constantly broken by prolonged industrial disputes. Unfortunately, politicians in dealing with this subject are chiefly concerned with effects, paying little or no attention to fundamental causes, unless the very magnitude of these compels it, when after much delay they resort to Royal Commissions, whose recommendations are not put into operation. Whatever may be the reasons, the policies of successive governments during recurring crises have been futile and disastrous, proving beyond dispute

that no enduring remedies can be expected from politicians. The causes of strife and the remedies for it must be discovered by those engaged in Industry. It is for the Leaders of Trade Unions and of Employers' Organizations, having come to their conclusions, to determine resolutely that they will bring about peace by their own unaided efforts so that Government intervention will be unnecessary. Apart from a broad plan for future relations they should set up their own machinery to deal effectively with any exigencies that may arise so that on no account shall any dispute be allowed to lead to a strike or lock out. The ship building industry by their setting up of a Joint Committee have given a fine lead.

There are certain causes of industrial strife which are very patent. There is a profound ignorance of those simple economic laws which always have prevailed and always will. Too many employees entirely fail to realize the difficulties attendant upon the successful conduct of trade. They appear to forget that great businesses have only been developed by unremitting energy, labour and often sacrifice, and that they are subject to laws of supply and demand. The only remedy is education in simple economics and business management, which must be unbiassed and entirely divorced from politics. There are alternative sets of principles for the conduct of a nation's affairs, but only one for the conduct of industry, which is always governed by economic laws. To allow political bias to influence educational work of this kind is as harmful as political prejudice in economic problems. Some employers also display a quite lamentable ignorance of the subject, and—worse still—think they have nothing further to learn. The fact that many have failed to maintain efficient organization and up-to-date machinery is sufficient proof. Their's is an added responsibility, possessing as they do advantages in education, environment and ability, denied to the vast majority of employees. It is for them to recognize their greater responsibilities, to reorganise their businesses and to shew themselves to be worthy of their advantages. If they do this, adopting in addition a conciliatory attitude in all industrial matters, there would be no lack of response on the part of the great mass of employees.

Much useful educational work is being done both in London and the provinces. On the whole the progress made has justified the work being continued, but it is not at present wide enough in its application and should be undertaken on much broader lines so that a generation will grow up with a knowledge of simple economic laws, which will prevent it from drawing false conclusions in examining the problems inevitably arising out of our complex industrial organisation. The subject should be included in the curriculum of our national schools, and especially in all public schools, where it is wholly neglected. Only in the Universities has it been part of the studies for any length of time. It is a subject hitherto regarded as only for the select few instead of one essential for the many.

The second great cause of industrial strife is that of a hereditary antagonism existing between the two great industrial parties. The hatred and distrust on the part of the workers of last century still lingers in the breasts of their descendants. For, when an idea has spread through a community, it becomes an instinctive belief and remains such until for lack of appropriateness it becomes discredited. If it can be adapted to the time and changing circumstances, the passing of the years serves only to strengthen it. The idea need not be true any longer—in fact many popular ideas of to-day are entirely fallacious—but must retain a semblance of truth. Demagogues and agitators, clothing it in suitable words, have only to assert it boldly and a new lease of life is obtained for it. That industrial antagonism and strife are natural and should be encouraged owing to the avarice of employers is one of many such ideas. While this may have been true last century, it is certainly not true to-day. Employers were hated then because of the tyranny they were able to exercise over their employees, but that is no reason why their descendants should continue the hate when working conditions have been revolutionized, sweated labour to a large extent abolished by Trade Boards and all the machinery of collective bargaining made available. Nevertheless it has become part of the instinctive belief of the employee that employers have some ulterior motive for any particular action or attitude. Perhaps he recalls bitter memories or if he does not agitators will recall them for him, never allowing him to forget those bygone struggles for a fair wage, reasonable working hours and a decent standard of living. Hereditary antagonism is, therefore, a very real factor in the industrial unrest of to-day and because it has become such an instinctive belief it is the more difficult to remove. Propaganda would seem to be the only method of effectively overcoming it. Let us take advantage of crowd psychology; advertisers, politicians and agitators recognise this as being the most powerful means of influencing public opinion. If national passions can be aroused and the war " atmosphere " created so that when the crucial

moment comes whole nations are enmeshed; if agitators are able to denounce our constitution, traditions, customs and laws, making people believe what they say; if the people can be persuaded into warfare, international or industrial, surely they can be persuaded into peace? Peace is not merely a negation of war; it comes as a positive and sincere desire, prompted by goodwill and commonsense. It is war that is the negation of peace. Cannot the British working man and woman absorb the doctrine—a very simple one in itself—that only with a spirit of goodwill and by the united efforts of all sections of the community can their aspirations materialize and their material and moral welfare be improved? Many employers have the same hereditary distrust of their employees, and the propaganda of peace is as necessary for them. It should be carried out by qualified organizations: affirmation, repetition and contagion will go a long way. Propaganda, intensive and extensive over a period of years is required until the true relationship of employer and employed is instilled into the minds of all.

Apart from ignorance and hereditary antagonism, which can be remedied by education and propaganda, there are other causes of industrial unrest. These are perhaps not so important, but their removal is essential if the new harmony is to develop.

One such cause of unrest is largely psychological; opportunity for self expression has been largely denied to employees as a result of the growth of machinery, involving as it inevitably must, sub-division of a craft into many sections. It is one of the gravest responsibilities of employers to provide opportunities for individual self-expression. The setting up of works committees, such as already exist in many firms, is one of several ways of achieving this. There is ample scope for them, the most important matter for their attention being that of grievances. In this way strikes are reduced to a minimum, or are altogether avoided, because an employee who considers that he has a grievance first brings it before a tribunal of his peers. If it is decided by them that the grievance is legitimate they can bring it immediately to the notice of the employers. Other committees should be formed to deal with the medical, social and recreative interests of the employees. By these means not only are those who desire to do so able to find opportunities of self-expression, but the result is of very great benefit to the employees, to the efficiency of the business, and to a happy relationship. Further, in works where even a small number of men and women are engaged there must be minds capable of giving ideas to the advantage of the business if encouragement and opportunity were provided.

Amongst other means of promoting good industrial relations, profit-sharing and co-partnerships are offered. There is considerable opposition to these from both employers and trade unions, but for different reasons. Some employers, being naturally conservative and unnaturally prejudiced, will not consider readily new schemes of any kind. Trade Unions Leaders, on the other hand, maintain that their movement exists to raise the whole standard of the workers' wages, and they are consequently opposed to advantages being gained by sections to the detriment of the solidarity of the Labour movement as a whole. This is probably true of profit-sharing; moreover, there are other reasons that make it unsound. In the case of co-partnerships, however, the question that has to be answered is whether there is more equitable distribution of the rewards of industry and happier relationships in firms which have such co-partnership schemes in operation, or not? There can only be one answer, for those familiar with the effects of schemes of co-partnership. The firms that have them in operation are prosperous, pay high wages and have no strikes or lock-outs. The fact that many of these firms are engaged in sheltered industries may partly explain the reason for their success, but the main causes lie deeper. The strict line of demarcation between the handworkers and the brainworkers is broken down; they are only co-workers. Let us refrain from continuing to use these worn out words "Capital" and "Labour." The employee is working WITH his employer instead of FOR him, and has a stake in the business, which he can call his own. Co-partnership, viewed from any political angle, should recommend itself to all progressive and practical thinkers, because it will be a means of securing a wider distribution of the rewards of industry within a measurable period of time. It should recommend itself even more strongly to those who look still further ahead anticipating "joint control" or even National Guilds. Employers generally have begun to realize how successful co-partnership is proving to be, and there is no doubt but that a great extension of it may be looked for. Solution of the problem of industrial unrest lies to some extent along this line.

All attempts to promote peace in industry, however, depend upon the human factor. Reactionary employers are as harmful as revolutionary Trade Union Leaders. It is for employers and employees to introduce a new spirit into the factory and the office, remembering that antagonism begets antagonism, whereas goodwill creates conciliation.

The Borough Polytechnic.

Women's Work.

This article, the third of the series, completes the effort made to convince both employers and staffs of the very efficient means to hand by which the actions of each may carry an added value.

IT will be remembered that we dealt last month with the men's department in the Borough Polytechnic, and now we come to the vocational training of women in this great school of tradecraft. The training in this section of the school is divided into two, the Trade-School and Home-craft. We shall deal chiefly with the Trade work, but a small space must be given to the second subject, because it is very interesting to note that in training these women in Home-craft, a sound foundation is laid whereby they are, if suddenly thrown upon their own resources, quite fitted to fend for themselves in one way or another, and thus, the work taught for their home life may at any time be a contributory factor to the business world. Home dressmaking, tailoring, upholstery, and laundry-work are among the subjects taught, and we were particularly interested in the upholstery room in watching a lesson in renovation. In another room paper pattern making intrigued us greatly, whilst the millinery no less won our admiration. No slipshod work was passed, and we felt that the homes from which these pupils came would owe a great debt of gratitude to the Borough Polytechnic.

THE TRADE SCHOOL.

For the information of our readers, especially directors of businesses we call their attention to

The Laundry School.
[from Block produced by Central Process Engraving Co.

the fact that students who are between the ages of 18 and 21 and who produce a letter signed by their employer or forewoman, stating that they are learning a trade will be admitted to a recognised course for half-fees. Women students, like men, are recommended to take Group Courses of study as by regular attendance such students will be admited free to the following session; and, of course, the rule laid down for the men applies to the women regarding the adherance to training in their own especial trade only. The women are encouraged to consult their teachers, who have all had first class trade experience, with reference to difficulties occurring in their daily work.

LAUNDRY WORK.

This course prepares girls from the central and secondary schools and others of suitable education to enter trade laundries, where good openings can be obtained not only as beginners, but as heads of department and managers after necessary experience has been gained. The training includes the Chemistry of soaps and washing materials; starch; the removal of stains, etc. Also the women learn accounts and the keeping of laundry books, the pricing of work, the wages book and piece work prices. Lectures are given in Industrial Legislation, including the Factory Acts, Trade-board orders, welfare of workers and insurance. Washing by hand and machine work, starching, ironing, shirt and collar dressing were all demonstrated to us and the instructor told us that during the term the students were taken to visit commercial laundries and other places of trade interest.

UPHOLSTERY.

This class is intended to assist upholstresses to gain a comprehensive knowledge of the many branches of their trade. The instruction includes the sewing and putting together of curtains with various headings, draperies, bed-furniture, the making of loose covers, and great care is taken to ensure correct construction. In connection with the upholstery drawing is taught, and those who desire to specialise can be trained in leather and carpet work. In every case great attention is paid to the requirements of individual students.

TRADE DRESSMAKING.

There are three sections in the dress-making department: 1. Practical work in dress-making and French pattern making. 2. Advanced cutting and fitting. 3. French dress-making and business management. These instructions are supplemented by art and embroidery classes, which can be taken as part of a Grouped Course. The training includes making dresses throughout, cut and finish receiving special attention, padding and modelling on dress-stands, shewing the importance of correct grain in materials, to accomplish perfect fit. The judgment of the amount of material for individual garments according to width is given great attention, and drapery, with regard to disguising defects in figure is a great feature of the instruction. Business management includes the economical running of the workroom, scales of charges and the general business side of the trade. Each student carries out her work as though it were a business order.

COOKERY.

There are also three grades in this instruction, Elementary, Intermediate and Superior. To do justice to this trade course is impossible in so small a space, as each week has its separate instruction ranging from the care of gas-stoves, etc., to the cooking of the most recherché meals; plain cooking, cake making, diet, thrift, all have their proper place, and the best testimonial the present writer can give to this branch of the work is many happy recollections of staff lunches which are supplied daily by the cookery classes, and which advertise to no small advantage the efficiency of the training.

Throughout the whole of our inspection we found, what we have already emphasised, the true note of comradeship between not only the students themselves, but between student and teacher. Women are coming more and more to the front in th world of trade, and their recognition as contributors to commerce is inevitable. It is therefore up to parents, guardians and employers that the best in these young people should be brought out. This is not only accomplished by scholastic or trade education, it must be accompanied by complete understanding between masters and employees, instructors and pupils, and this is what the Borough Polytechnic not only sets out to do but achieves, creating that atmosphere of industry with content, without which no good thing can come out of business.

Ulster as a Potential Market.

By The Deputy Speaker in the Northern Parliament.

AN advertiser or manufacturer, before placing advertising, naturally desires to be satisfied that he may anticipate a fair return on the money which he proposes to spend. He will therefore ask himself: What is the position of Ulster as a potential market? What does it buy? Is its credit good? And if he can be satisfied upon these points he is ready to do business. The expression Ulster in this case connotes so much of Ireland as is under the jurisdiction of the Parliament of Northern Ireland. It is an integral part of the Three Kingdoms.

It has three great ports, and of these the principal is Belfast, the third port in the Kingdom. To the northward, Larne and Londonderry have direct communication daily with Great Britain. In the southerly direction Newry has also a port, and there are various little harbours scattered around the whole seaboard from which a large export trade to Great Britain is conducted in potatoes, foodstuffs, etc., and return cargoes of coal and such like are carried. The intercourse between every part of Great Britain and Northern Ireland is as free, and intimate, and unrestricted as traffic between Yorkshire and Lancashire. That is the first important point to remember when considering Ulster as a potential market.

Ulster banking institutions are also intimately linked up with those of Great Britain, the Midland and other banks being largely concerned in certain of the banks of Northern Ireland, and having reciprocal relations. The three great banking institutions which have their head offices in Belfast have on deposit or credit over sixty millions of money. The workers' savings bank has on deposit over three millions of money, while further savings of working-class people in Ulster to the extent of five millions are invested in the Post Office Savings Bank.

The financial resources of Ulster may be indicated by the fact that for the great War Loan over thirty-two millions were raised in the city of Belfast alone, and until the 1920 Act set up Parliaments in Ireland, no less than 45 per cent. of the tax revenue of all Ireland came from the six Ulster counties which constitute the area of the Northern Government. Since the 1920 Act not only has Northern Ireland discharged the entire expenses incidental to governing the area, but it has contributed towards Imperial expenditure over sixteen million pounds.

Up till the outbreak of the Great War the city of Belfast held unbrokenly for a long period of years the record for the lowest average of unemployment and pauperism in the Three Kingdoms. The average for Great Britain during the period alluded to was 207 paupers per 10,000 of population, whereas Belfast was only 106.

It is also the seat and centre of the linen trade, and in Belfast district alone over one million spindles are located, exceeding by five times the total of spindles in the rest of the United Kingdom. The capital employed in the linen trade is fifteen millions, and 150,000 people in Ulster find employment in this industry.

For many years Belfast has been the third revenue-producing port in the Kingdom. The municipality owns its own tramways, a great electricity works, gas and chemical works, etc. Such is the credit of the city that when the corporation advertised a one million loan and the list was opened on February 26th, 1922, before that day's market had closed three millions had been applied for, and altogether the loan was over-subscribed by more than six times.

Official returns under the Motor Car Act show that there is a motor vehicle for every 54 people in Ulster, as against one vehicle for every 67 people in Great Britain. All these things are an index of wealth, and it is the most commonplace of platitudes to say that the place for the advertiser and trader who wish to make money is to concentrate upon an area where there is money.

The reputation of Ulster business men is known the world over. Ulstermen by their enterprise and business sagacity have carried the fame of their native province into every land. The great Australian magnate, Sir Saml. M'Caughey, was an Ulsterman; Timothy Eaton, the founder of the great firm of Eaton, Ltd., of Canada, was another; so was A. T. Stewart, and no less than seven Presidents of the United States were of Ulster lineage.

The Ulsterman, like a good business man, seeks to make a hard bargain, but he puts his money down to implement it, and that is something to be pondered over by business men in these days when so many demand long credits, and when as a result considerable risks have to be run.

The standard of living in Northern Ireland is high, and there is perhaps no city in the three kingdoms where so many working-class people own their own homes as in Belfast.

The farming community have in large numbers bought out the freehold of their lands, and under various Land Acts the whole of the land is in process of transfer to the occupier and cultivator of the soil.

These things give great stability to the community and make the worker and agriculturist there keener than they would be if they had no personal interest in their homes or farms. It is a place that manufacturers should cultivate. It is thickly populated; it is highly industrialised, and every department of human activity is carried on upon an intensive scale.

The record set out by the facts indicated above should suggest to advertisers and all concerned that if they wish a safe market, easy of access, and so circumstanced as to ensure quick and safe returns, Ulster is a place which no enterprising business man can afford to ignore.

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II.—SMARTNESS OF MIND.

By F. J. LAMBERT, A.C.I.S. Cert., A.I.B.

IN a previous article smartness of appearance and of manner were discussed and their importance, from the point of view of the ambitious young business man, was described. It must, however, be borne in mind that these are but the outward manifestations of an inward condition, for they are in the nature of a result, not a cause. The underlying cause, which directs both appearance and manner into good or bad channels, is the Mind, and smartness of mind, which forms the subject of this article, is therefore a vital factor in business success.

The story of the boy seeking work is well known but will bear repetition. Seeing a notice "Smart Boy Wanted" hanging outside a shop, he took the board down, and going inside, handed it to the man behind the counter. His reply to the astonished request for an explanation of his action was "Please Sir, I'm the boy." The boy perhaps carried smartness to the extreme, and his method of applying for a position is not recommended as an example to young business aspirants, but at least his mind was quick and alert

AN ESSENTIAL TO BUSINESS PROGRESS.

The need for smart men and women in the business world is great. The problem of the employer of clerical labour is not to find clerks, for they are plentiful, but to find clerks with the ability to think clearly and to act quickly and intelligently. For these there is always a demand, and their progress up the business ladder is rapid. This is clearly illustrated from the writer's own experience when dealing with the promotion of clerks to fill vacancies as department heads. A number of clerks were eligible for the position in each case, and possessed the necessary qualifications of experience, length of service and knowledge of the work, but only one or two stood out above the rest when it came to considering smartness, intelligence, grip, or whatever name you care to give to this special quality of being mentally alive and keen. The rest were just average, capable of dealing with routine matters but lost when something out of the ordinary arose, able to think on accustomed lines but unacquainted with even the meaning of the original and constructive thought which is essential to direction of even the smallest section of an office.

If smartness of mind is so important in business, it will be worth our while to endeavour to discover what it involves and how it can be developed.

A smart mind is, in a word, a mind which is alive, not asleep or half dead. Every human being possesses a brain, of varying quality and power it is true, but nevertheless a brain, capable of thinking, observing and remembering. The capacity is there but the effective value depends upon the use to which we put it.

THE BRAIN AND A PAIR OF SCALES.

A delicate pair of scales, so finely adjusted that it will shew a difference of a hundredth part of an ounce, may play a part, by aiding the researches of a scientist, in furthering the world's store of knowledge. Give the same pair of scales to a child, and he will play with it for a while, but soon tiring of it, will throw it on one side where, through disuse and dust and rust, it will quickly become of little more worth than the metal of which it was made.

So with our brains. The more work we give them to do, the more able are they to deal efficiently and rapidly with what is given them. On the other hand if we neglect them, their capacity and their speed diminish in proportion, and when necessity drives us to make a sudden call we find that we have too long ignored them, for they are unable to respond to the demand made upon them.

THE IMPORTANCE OF HEALTH.

The old saying, "a healthy mind in a healthy body," is no mere copy-book platitude, but is a statement of a definite psychological fact. Unless we are physically fit we cannot think clearly or rapidly, for there is a close relation between body and mind, and anything which affects the free normal action of our physical system also affects the working of our brain. An illustra-

tion of this is to be found in the difference between our mental activity before and after dinner. The mere eating and digestion of a heavy meal clogs our brain and renders original constructive thought difficult, yet the cause is purely a physical one. So to be able to get the most out of our mind, we must pay reasonable attention to bodily health, which means, briefly, that apart from illness or disease, we must have sufficient air, exercise and sleep and enough, but not too much, to eat. It is not within the scope of this article to discuss the various means of keeping fit, but plenty of literature on the subject is available for those who wish to pursue it further.

MENTAL EXERCISES.

To come to the more practical aspects, the young man who realises the need for improvement and wishes to develop a keener mind, must exercise the brain in exactly the same way as the body must be exercised, in order to gain greater physical fitness and strength. There are no rules for this mental exercise, no short cuts to success. The mind must be used steadily and constantly, and it must be applied to problems a little bit beyond its grasp, as well as to the simple everyday matters which give little scope for real practical thought. In a word, try to touch your toes mentally, just as you do physically, or should do, every morning before breakfast. Think of your work and try to find a better way of doing it, however small an improvement it may bring. Think of interesting things which come up in your work, as, for instance, the subject matter of an unusual business matter you dealt with. Think about the characters of those with whom you work, and learn to form sound judgments. Think about problems of your own life. It does not matter a great deal what you think about so long as you do think, and so long as your thinking involves a definite systematic application of the mind, not a mere drifting from one subject to the next like the flitting of the butterfly from flower to flower.

DON'T BE A MENTAL TORTOISE.

Speed of thought, again, can be developed only by constant practice and determination. Learn to reply quickly to questions or remarks made to you, instead of thinking slowly and replying vaguely. Determine to grasp the purport of instructions, statements, or written matter, in as short a time as is compatible with thoroughness, which, of course, must not be allowed to suffer as a consequence Make up your mind, once and for all, to forsake the ranks of mental tortoises and, if you cannot run or fly, at least walk at a reasonable rate. If you persevere, you will soon find that your thoughts will begin sometimes to run and occasionally perhaps to soar on the wings of imagination Then your perseverance will have its own reward.

THE VALUE OF CHARACTER

A word of warning is perhaps necessary. It must not be imagined that quickness of mind or the ability to think can be developed by the mentally slow, merely by pressing a button or making a resolution. Character must be present also, for otherwise the resolution will evaporate and the old conditions of mental sloth will return. Character, and the other qualities essential to success, will be dealt with in subsequent articles.

Finally, remember that the greatest thinkers of the day use only a portion of the total capacity of which their brains are capable, and how far short of them do we fall!

How little use we make of that wonderful intricate instrument in our head, and how often it is allowed to run at a low speed, nay even at a crawl. The call to ambitious young business men to-day, especially to those just commencing a business career, is clear. "Awake! Throw off the dust covers, oil the idle wheels, get rid of the rust, and get busy. Your brains were given you to use, not to leave in cold storage. Awake, be alive and alert, learn to think clearly and quickly, and so make your mark in the world."

Energy.

THE want of energy is one of the main reasons why so few persons continue to improve in later years. They have not the will, and do not know the way. They "never try an experiment," or take up a point of interest for themselves; they make no sacrifices for the sake of knowledge; their minds, like their lives, at a certain age become fixed. Genius has been defined as "the power of taking pains"; but hardly any one keeps up his interest in knowledge throughout a whole life. BENJAMIN JOWETT.

Waste.

EVERY year I live I am more convinced that the waste of life lies in the love we have not given, the powers we have not used, the selfish prudence that will risk nothing, and which, shirking pain, misses happiness as well. No one ever yet was the poorer in the long run for having once in a lifetime "let out all the length of all the reins."

MARY CHOLMONDELEY.

Goodwill.

By O. RIVINGTON.

The author is connected with a business that is a model of the principles advocated.

COMMERCIAL law has given "goodwill" such tangibility that it may now be considered as a commodity of valuation and exchange. Although as much a piece of property as a building or a piece of machinery, its value is far more difficult to estimate. In order that a basis of calculation may be established, learned counsel have defined goodwill "as an expectation that old customers will resort to the same place," and that it is "an advantage a person gets by continuing to carry on, and being entitled to represent to the outside world, that he is carrying on a business that has been carried on for some time previously."

Goodwill may be said to be the halo of selectiveness a customer puts around an article, name or service. It may be assumed that the following are instances of goodwill in action. The smoker who refuses all substitutes, when the tobacconist has not his brand in stock; the club secretary, who is instructed to buy bats, balls, or other appliances by name; the salesman who can carry a connection; the trader who secures such a hold on a customer that he will pass similar shops, to buy from him; the manufacturer who holds his markets by virtue of the service he renders.

If, by business capacity a trader is able to record transactions with individual customers, over many years; by advertising and other sales' promotion work, maintain a regular turnover, and hold trade in face of competition, there is something behind it all. The courts hold that this pull, is goodwill. On goodwill rests the whole fabric of business success. Many things enter into the creation of goodwill, but one little thing may blast it.

Goodwill makes to-morrow's business more than an accident. Satisfactory dealings to-day make to-morrow's business quite a reasonable expectation. Therefore it will be interesting to note the factors which go to the making of goodwill. It will probably help a favorable approach to the needs of modern selling problems. The sounder the bases on which goodwill is being built, the greater will be the demand for the goods. As demand increases sales costs decrease.

Four things go to create goodwill. They are (1) Advertising. (2) Personal Selling. (3) Service, including deliveries. (4) The product in use. Mr. P. E. Derrick says, "Advertising is the superior source of goodwill." Taking the other three factors as being ideal, he is perfectly right. Advertising is the only means whereby numerous sales may be economically developed. But sales are largely dependant upon distribution. If distribution is weak, the product cannot show its value fully, because substitution will absorb some of the demand.

Selling policies also affect the growth of goodwill. Goodwill cannot be forced, neither can it develop where immediate sales are of greater importance than the ultimate satisfaction of the consumer. Of two transactions, with different traders, dealing with the same kind of goods, the customer returns to the shop which has given the pleasantest recollections. With every sale it is a wise policy to add some influence likely to please the customer and bring him back. Such sales nurture recommendativeness. "So and so are very nice people to do business with," from a pleased customer, goes farther with the individual than the finest newspaper advertisement.

ADVERTISING AND GOODWILL.

It is probably easier to produce goodwill advertising than it is to produce the goodwill itself. Advertising can promise a great deal; it can build up great expectations, but it is in the personal contacts, and in the service of the product that the fertile seeds of goodwill are sown. At the Wembley Advertising Convention a case was mentioned, wherein a responsible man in a business house complained about the advertising. It was too idealistic; it promised a lot too much; it ought to be toned down. "No," said the head of the business, "the business must be tuned up to the advertising." If the promise of the advertising is not realized by the consumer in the use of the article, it is better to cease advertising. Such conditions are hostile to goodwill.

Advertising has a distinct value in setting up standards of public estimation. By its life or lack of it: by its bald statements or the publication of interesting facts, its value on goodwill can be definitely gauged. It is only when advertising establishes consumer preference that it is an adjunct to goodwill. As the Prince of Wales said at Wembley, "The general aim of advertising is to provide throughout the world a more free exchange of commodities and a lower cost of production." In so far as advertising invites confidence it advances the ground for goodwill.

Good advertising encourages and nourishes the elements of sentiment, from which goodwill springs. In fact it is commonly believed that advertising expenditure is the purchase price of goodwill. If this were true, it would be tolerably easy for anyone with a little money and an article of poor worth to put an item for goodwill in the balance sheet. Advertising can sell an article once, but one sale does not establish a claim for goodwill. It is from the utility of the article and the manner in which it is served, that goodwill is calculated.

WHERE GOODWILL BEGINS.

It is only necessary to think of tyres, cameras, soaps, teas, underwear, to appreciate something of the force of goodwill. If we were about to buy any article mentioned, no doubt a trade name or trademark would suggest itself as the means of providing satisfaction. That voluntary choice is due to an accumulated selling force, either based on pleasant recollections of usage, or anticipated satisfaction, if the article is chosen.

Thus, goodwill focuses in the name or trademark. When "roller flour" first came on the market, its beautifully fine and white texture captivated the housewife. One firm however was able to get the woman who baked her own bread, to ask for their flour, by the name of "Kirton Lindsay." Many women recommended the name to their friends This is an instance of working of goodwill in a name.

Whatever expenditure or selling effort was incurred in educating the public to ask for that brand could be debited to goodwill. Goodwill represents effort and sacrifice and in its total outlay may represent the equivalent of the purchase price of an established business paid by the one who buys it.

There seems to be a division of opinion upon the methods of dealing with enforced, and voluntary patronage. Taking the word and its meaning literally, goodwill can only be founded when monopoly is absent. A patent means enforced patronage. If the public want the patented article they must come to the patentee for it. Goodwill implies competition, and the advertiser's task must be to get those who use the commodity, to buy his brand for the first time; to get them to buy it again and again, in spite of competition.

VALUATION OF GOODWILL.

Although the practice seems to favour "writing it off," there may be some difficulty in estimating how much to "write off." An American house, with a capital of many millions of dollars, recently capitalised their goodwill at one dollar. A leading English house had "the fossil of goodwill decently and quietly buried." However, should either of these businesses be sold, the valuation of goodwill would be assessed at a very high figure.

First considerations in making a valuation should be whether the seller is willing to aid the buyer, or whether the seller will be in opposition. It is very essential to know how far the buyer will be able to make use of the seller's personality. No one can divest themselves of personality, but the key to the business may be sold. In case of a retailer the shop and its assistants, etc.; in the case of a manufacturer the trading name, or trademark represents the key to the goodwill.

Then, earnings from all monopolies ought to be excluded, so that the business resulting from the free choice of purchasers may be arrived at. This forms a basis upon which an estimate of future profits may be made, if the present rate of customer friendliness is maintained. Further there comes the question of capital used in making the earnings. A small capital earning a good return, is far better than a big one, which is poor in earning capacity.

Many other factors affect the question of value. Take the matter of leased premises or a business representing a "connection" and one a "catch trade." Roughly a retail or wholesale business is worth from one to five years' purchase; a manufacturing business, one to four years' purchase. A business that depends mainly upon advertising is valued on a diminishing return, of about one-fifth for each year. It is commonly accepted that it would take five years for a business name or trademark, not advertised, to be forgotten.

The buying of goodwill influences very important principles. I have merely touched one or two points, just to show that the question is worthy of investigation. No one should sell, or buy goodwill unless all the term involves, in the purchase, is fully understood. If the would-be vendor is not willing to show his books and encourage the closest scrutiny, the business holds a risk for any buyer.

. KEMP .

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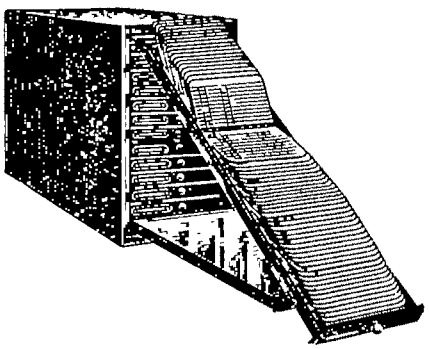

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Businesses that come to grief for lack of System.

Unrealised overhead costs that destroy profits.

By THOMAS DIXON.

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"A great number of men in business come to grief for want of a perfect system. They never realise what their overhead charges are: they think they are making a profit when they are not."

SIR PERCY WOODHOUSE at the Manchester Business Efficiency Exhibition.

OVERHEAD costs are in every business undertaking a serious problem, chiefly because they are so extremely difficult to adjust exactly to varying needs and conditions. Whether business be booming or slack, certain expenses—rents, rates and taxes, interest on capital and similar uncontrollable outgoings—must go on practically undiminished, and even in respect of the important matter of executive salaries, the permissible latitude is small, since supervision and administration are essential at all times, and it is not good policy, simply because times are slack, to get rid of too large a proportion of the controlling brains.

None the less it is essential that every business chief should carefully study his overhead expenses. He must know exactly what proportion they bear to the total turnover, because if the proportion, judged over a reasonable period, be too high, it is evident that there exist administrative faults that call for immediate investigation and correction. Excessive overhead charges eat up profits rapidly, and where they are detected readjustment is absolutely essential.

I use the word "readjustment" advisedly, because in the matter of the controlling brains of any business I prefer readjustment to reduction, assuming, of course, that every care has been taken in the selection of a capable staff and that there are no "passengers." Men who are really capable of taking the responsibility of organising and executive work are far too valuable for any wise employer to desire to dismiss them merely because he is faced by a business "slump." After all, the slump may be only temporary: the departure of a good man is a permanent loss.

It is as true, however, of the executive and administrative staff as it is of the operative section that it must pay its way. That business axiom applies to everything, from a 10,000 h.p. engine to the last joined office boy. In business to-day there can be no toleration for anything that is not profitable.

The remedy for excessive overhead costs, generally speaking, is far more likely to be found in increased efficiency than in mere reduction. Increased efficiency is almost certain to promote increased business: mere reductions are only too likely to lower efficiency and lose what business remains. It is true, of course, that increased efficiency may mean a temporary reduction of personnel, but as a rule this will not be long. How to secure increased efficiency—a greater personal output of work—from every individual unit of the executive staff, is the problem which urgently confronts every business man under the very trying commercial conditions ruling to-day.

SIR PERCY WOODHOUSE,
President of the Manchester Chamber of Commerce.

I ventured to point out at the Manchester Exhibition referred to above, that to do by hand work that could be done as well or better by machinery was a clear indication of an unprogressive spirit that sooner or later must spell commercial disaster. For many centuries labour was cheaper than machinery: the Pyramids were built by human labour. To-day the position is diametrically reversed: machinery is cheap, labour is dear. For this reason labour, as far as possible, should be rigidly confined to work that requires intelligence.

Take as an example the writing of letters. What business man to-day would dream of having his letters written by hand? The typewriter does the writing: it is the duty of the typist not to write but to control the machine; to do the work that demands intelligence. The typewriter, enormously more efficient as a writing machine than the human worker, has greatly cheapened the process of writing. That is the sole reason for its existence. For a big modern firm to revert to the writing of letters by hand would mean the employment of a staff so large that merely to house it would be ruinous financially.

It is just as wasteful to dictate letters to a shorthand writer as it would be to have them written by hand. Just as the typewriter has cheapened writing, so the Dictaphone cheapens the dictation of letters or, for that matter, anything else you want to dictate.

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Imagine for a moment what it must mean to a busy Executive when you give him the ability to dictate anything he likes, at any moment he likes, and as fast as he likes, to an amanuensis that is always ready, capable of working unlimited hours at unlimited speed, and with absolutely certain, automatic accuracy.

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I have tried to indicate some of the advantages of the Dictaphone system: it is impossible here to explain them all. Those who are interested in efficient office working can obtain the fullest particulars by sending a postcard or telephoning (Regent 1460) to The Secretary, The Dictaphone Co., Ltd., Kingsway House, Kingsway, W.C.2.

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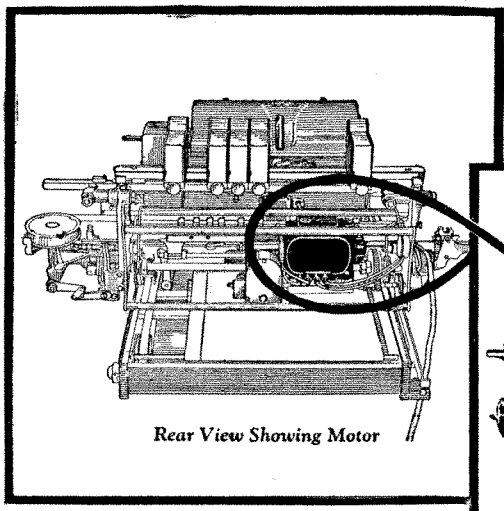

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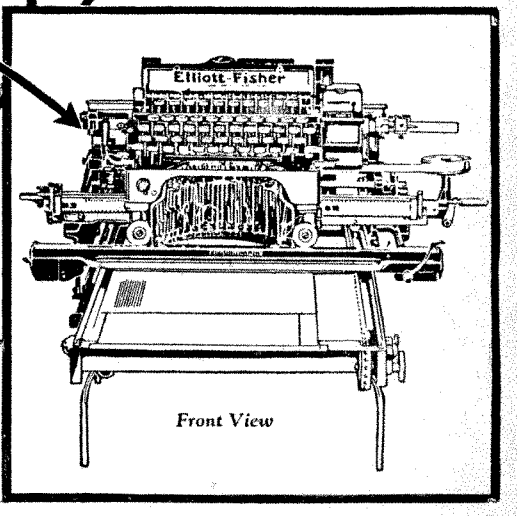

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Editorial Notes.

"The Economic United States of Europe."

THIS is a phrase invented by M. Loucheur, an eminent French statesman and economist, and more is likely to be heard of it in the future. M. Louchcour, who has many friends in this country, is afraid that in the face of the methodical and scientific production of America, European production will lapse into anarchy, unless the steps which are being taken to reorganise it by means of international trusts are successful. "Our task," he says in an interview translated in the *Times*, "is to work for the constitution of the economic United States of Europe." The method he advocates is a process of continuous reorganisation by means of successive readjustments which must take the form of agreements between the key industries of the different countries. These agreements, which otherwise might contain abuses and tendencies likely to endanger peace, should be subject to the control of an international "Supreme Council" consisting of economists and representatives of consumers as well as producers.

* * *

Britain's Uncomfortable Position.

THE project may seem a long way ahead, and it is obviously full of difficulty, but the international conferences of great industrialists which are taking place surely go to

prove that M. Loucheur's ideas are being very seriously considered. The problem of inter-European trade is now enormously more difficult than in pre-war days. The small sovereign states brought about by the War settlement are all doing their best by means of tariff barriers to keep out other countries' productions and to become industrially self-sufficing—a policy fatal in the long run to the trade of all. Contrast this with the position of the United States, which within its own boundaries enjoys absolute free trade, and is highly protected against European competition, and the reason for American prosperity becomes apparent. Under the present conditions of European trade the position of Great Britain, as a great manufacturing nation compelled to sell its products for food and raw materials, is especially jeopardised, and hence our interest in the present conversations can well be understood.

* * *

Our Trade with Spain.

AN example of the damage to British trade caused by nationalist restrictions on imports of manufactured goods is to be found in the recent Spanish decree imposing prohibitive duties on Sheffield steel. Sheffield manufacturers are up in arms against this arbitrary action by the Spanish Directory, and are agitating for a general boycott of Spanish fruit and produce unless the decree is rescinded. It is calculated that the new Spanish duties will practically destroy a market in fine carbon steels estimated to be worth £200,000 a year. The British commercial treaty with Spain is fortunately due for renewal, so that pressure can probably be applied with a view to getting the decree amended. Spain cannot afford to quarrel with her best customer. The issue of this particular controversy does not of course affect the general position which can be broadly stated to be that the world seems to be steadily becoming more protectionist, and that this very gravely threatens the economic prosperity of any manufacturing nation which continues a free trade policy in practical isolation.

* * *

The Bankers' Manifesto.

THE remarkable trade manifesto issued towards the end of last month by so many eminent international bankers and economists give these considerations much greater point and authority. Their "Plea for the Removal of Restrictions upon European Trade" should be carefully studied by every business man who looks beyond his nose. It is a most enlightening document, and in some respects a rather ominous one. The paralysing effect on international trade of a multitude of tariff barriers could not be better set forth. But whether the European statesmen responsible for these restrictions will be led by this impressive appeal to retrace their steps is unfortunately extremely doubtful. Such a result would be a miracle indeed. Moreover, the problem of war debts would remain to complicate the position. And we have to live in the world as it is. The Free Traders, newly armed by this manifesto, must straightway prepare for such a battle as they have never had to fight before.

* * *

The Silk Industry.

IT is rather astonishing that despite the extraordinary development of the artificial silk industry, the demand for real silk is actually increasing—which shows the wonderful vitality of one of the world's oldest industries. Valuable work is being accomplished by the Advisory Committee of the Imperial Institute on Silk Production, in encouraging sericulture within the Empire, interesting details of which have been recently given by the chairman, Sir Frank Warner. The Silk Industry is one of great importance. The United States, which takes 73 per cent. of the raw silk of the world, now imports 45,000 bales per month. The Americans have practically cleared the market of the best quality filature silks, and second grade silk is stated to be unsuitable for modern high speed looms. A silk filature has been successfully established in Cyprus, and its products command an excellent price on the home market on account of their high quality. Steps are being taken to increase the Cyprus production. India already produces a good deal of silk for home consumption, and here, where conditions are specially favourable, a report has been made to the Government, after a detailed investigation by the Committee, indicating the possibilities for increased output. It is to be hoped that the Indian Government will act on these recommendations. Kenya, Jamaica, Rhodesia, and Uganda are all suitable for sericulture, and preliminary steps have been taken to render them silk producers. The excellent work performed by the Committee is evidently begining to yield practical results, and its efforts are deservedly appreciated by the Government.

* * *

Co-partnership the Remedy.

THE arresting article in which our contributor (Mr. Michael Renton) calls attention to the possibilities of co-partnership as a remedy for our present industrial discontents is one to which we invite the consideration of all our readers. The article is in so sense alarmist, but the gravity of the position to which it refers is obviously insufficiently realised. The need

for a new incentive in Industry capable of uniting the nation in the common purpose of restoring its lost prosperity is crucial. Our own experience of industrial co-partnership leads us to believe that, if widely adopted, the principle would be remarkably successful in restoring mutual confidence and goodwill where now only suspicion and distrust exist. In America and New Zealand, as our contributor shows, very interesting experiments in co-partnership are being made with most promising results, and in this country, where the principle has been fairly tried, it has proved exceedingly satisfactory in satisfying the workers' aspirations and in improving their relations with employers. No other scheme has proved so uniformly successful in practice.

* * *

Army Razors.

THERE is a good deal of sympathy among business men with English manufacturers of safety razors and blades in their controversy with the War Office over the award of the contract for Army razors to the Gillette Company. Presumably this was a purely departmental decision, but it is unfortunate, to say the least of it. The Government probably already regret it, and they will certainly find it hard to justify at the polls. There is no doubt that the British safety razor blade industry had at long last begun to offer serious competition to its American rivals. Issue had been joined, and the struggle for British and world markets had become intense. Proof of this is apparent to all. It is now hard to avoid the gift of a Gillette safety razor if you buy collars or shaving cream, or tooth paste, or what not. At such a time the mandarins of the War Office give a gratuitous advertisement to the Americans, and a slap in the face to British manufacturers. And this, too, while the Government's "Buy British Goods" campaign is in full swing! Well may our trading competitors regard the English with amazement.

* * *

"Writ Sarcastic."

THERE is another struggling British industry to which the attention of the War Office departmental heads might be directed while they are in this mood. We refer to the British typewriter industry. It is not long since the King gave it a magnificent advertisement, and since then, we understand, British typewriter manufacturers have been full of orders. It only remains for the War Office to decide to instal American typewriters to the total exclusion of the British article for them to complete their contribution to the "Buy British Goods" campaign.

Defeat of Post-mark Advertising.

YET another departmental blunder—the scheme for post-mark advertising—has earned the Government a good measure of temporary unpopularity with business men, but the stage seems now to be set for its final withdrawal. No other publicity proposal has ever succeeded in uniting so many otherwise enthusiastic advertisers in its condemnation as this queer idea of the Post Office publicity department, and none lent itself so easily to ridicule. However, public opinion has proved too strong for its sponsors, the scheme has fallen through, and those who organised the resistance to it so effectively may well be content with the results of their efforts.

* * *

The Milk Scandal.

THE revelationis of the Food Council in their report to the Board of Trade on Milk Prices during 1926 leave a decidedly unpleasant impression. It is alleged that advantage was taken of the organisation of the London Milk Committee—a body established solely to deal with the national emergency created by the General Strike—in order to put up the price of milk after the emergency had passed, and in circumstances which offered no sort of justification whatever for the increase. This is the grave charge brought in set terms against the milk traders by the Food Council—a serious allegation of profiteering brought against an organised body, a thing very different in degree from an isolated charge of the kind brought against an individual trader.

* * *

Glut and Greed.

IT seems that there has been an almost unprecedented glut of milk this summer, and it is still in very plentiful supply. Dairy farmers are embarassed to know what to do with it. Despite this, the necessary "harmony" in the trade was secured to advance the retail price for September last to a higher figure than it had been in any September during the past four years. Sir William Price, Milk Controller during the General Strike, has, it is true, repudiated the report and declares there is no truth in the Council's charge. At the same time, he adds the curious threat that "If the Council interferes with the industry they will make milk not cheaper but dearer."

An Unsatisfactory Reply.

IT is unfortunate that this repudiation should have appeared simultaneously with an article on the dairy industry by the Agricultural correspondent of the *Times*. According to this authority, the industry's position was never more precarious and menacing than now owing to the problem of the over-supply of milk. " The consumption of milk in its liquid state has increased, but not nearly rapidly enough to keep pace with the augmented output." Farmers find that it is easier to produce the milk than to sell it at a paying price; and they are confronted with the need of devising alternative uses for the surplus or of curtailing the herds. It is in these circumstances that the milk traders have thought it expedient to restrict the supply by artificially increasing the price of this vital food, and something more convincing than Sir William Price's statement seems to be called for.

Selling at Retail.*

By V. H. PELZ.

It is difficult to assess fully the value of this book. Written primarily in the interests of the salesman who studies alone, it is as near as possible a self-contained course. Although the instruction given ranges between the value of personality to the testing of a Panama hat, at no point does the student feel difficulty in following the line of thought to its natural and logical conclusion. The definite knowledge furnished is in striking contrast to the easy flow of language used, for at no point does the reader feel that he is being " preached at,"—no small virtue in works of this character.

Four striking chapters are those on " Studying the Merchandise." It would be difficult to find anything more practical. In the opinion of the author, " It is not enough for the salesman to be sure in his own mind that the goods are all they are claimed to be. Very often customers can be convinced only by more specific evidence." In marked fashion he proceeds to provide a very fair sample of it.

On the importance of character and its formation; the value of Education and Personality; the book is equally helpful, and on the quality

(*Continued on page 78.*)

J. D. C. Mackay, Principal, the School of Accountancy

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A League of Nations of Men of Affairs.

THE OUTLOOK ON THE STOCK EXCHANGE.

By OUR FINANCIAL EDITOR.

THE past month was made memorable in economic history by the issue of the manifesto by the leading bankers and business men of 16 countries dealing with the European trade situation. The object of the declaration was a psychological one. Nobody who read the somewhat colourless words of the document could claim that they enshrouded anything new. The thesis was indeed trite. It was simply that the breaking up of territory in Europe after the war had intensified the trade jealousies of the Continent and had led to tariff barriers in various shapes in greater number than in pre-war days; and that, in consequence, trade movements from country to country were hindered and the return of prosperity prevented. There is nothing new in that. But what was new and impressive was that all the great bankers, industrialists and leaders of commerce in Britain, the United States, Germany, France, Italy, Czecho-Slovakia and ten other countries wished to go out of their way to bring the commonplace truth home to the people of Europe. This impressive unanimity was the great thing. Men are influenced by such unexpected things and we hope to see great results from the manifesto. It was an act of a League of Nations of Men of Affairs and, as such, deserves to produce a profound psychological effect in Europe.

It is very interesting that the French and Italian leaders who signed the manifesto preferred to introduce their signatures by some special remarks. The French bankers and business men, with their country's penetration and logic, put the instability of Europe down to the consequences of the war, particularly the monetary crises resulting from it. They pointed to the need of stabilised currency wherever the exchanges fluctuated strongly. The Italians asked attention to indirect as well as direct tariffs, such as subsidies, etc. Now I think it would have been well if the banker business men's "Plea," as it was officially named, had itself dealt with these wider matters. There is great value in getting back to the true origin of the present economic state of Europe and the French note did direct attention to what it was. Inasmuch as no improvement can be hoped for until all countries realise what is the true origin, we may spend a few moments on the point.

THE TRAIL OF THE WAR.

As the French signatories say, the origin was the war. Europe had in that great catastrophe to draw out all the money in her banking account and blow it away on shells, and then had to borrow money and blow that away, too. The debts remain. Governments owe their citizens on the whole about ten times as much as before the war, except Germany, who wiped the slate clean by inflation, but has now to pay the Allies. Some other Governments have gone part of the way on Germany's road. But both they and Germany have found that such a policy does not remove the root of the evil. In the case of Great Britain, the Government has taken the course of declaring every debt it contracted, whether to America or its own citizens, valid to the full amount. Before the war Great Britain, America, Germany and France were great creditor nations. Now, the first only is better off; we are worse off, though still, fortunately, world creditors; France also is more than level; but Germany's external fortune is gone. But the Governments of all these countries are debtors; and the European Governments enormously so.

Governments must get their income by taxation, and in these times, when in Europe stupendous sums are necessary to pay interest on Government war debts, they must have many times the income of pre-war years. How to get it? Our Governments have made no bones about it; they have raided the citizen's pockets by heavy taxation. Other European countries have not tried that direct method. Some of them, by continued inflation, have done it indirectly. Others have tried the time-honoured device of getting it out of the foreigner. There you have the genesis of tariffs. Governments who impose tariffs often do so, not primarily to protect trade, but to raise revenue—a bold statement, but borne out by historical facts even in the early tariff days of America. The idea of protection of trade comes from industry and commerce and not from the politicians, who are often eager to use it in order to lessen the necessity of increasing such taxation as that of incomes.

EUROPE'S VICIOUS CIRCLE.

This is not the place to argue the merits of Free Trade and Protection, and I am not really concerned at the moment with polemics of that nature. My object is simply to show how the vicious circle is at work in Europe. First you have the heavy loss of the war. Second, there is the heavy interest and principal of that loss (in the form of Government Debt) to be paid, yearly in the case of the interest and at various future dates in the case of the principal. Thus, there is the necessity for Governments to raise many times their pre-war revenue. Third, you have in Europe the raising of tariff walls in order to secure part of that revenue by other than direct taxation of their citizens. If this reasoning is correct, the tariffs about which the bankers have issued their manifesto are no more than a phase of the general economic and financial difficulties of the whole Continent. Moreover, these very difficulties, unless something is done in the way of co-operative international effort, will force this country, normally Free Trade, into Protectionism for all its main industries. That is the position of Europe to-day. There are two methods of remedy which may be pursued together or separately. They are (1) the removal of all barriers to international trade (as proposed by the manifesto) so that the free and rapid exchange of goods may bring prosperity and expanding incomes to the nations, and (2) the reduction of national debt by repayment out of sinking funds and the reduction of the interest charges on them by conversion to a lower basis of all debt now bearing war rates of interest. The latter can only be done where the debt is nearing its repayment date. These two courses would have the following effects: the first would expand the amount of income in the various nations and would make it easy to pay high taxation; the second would lessen the dead-weight charges on that income. Incidentally, the removal of trade war between nations would increase the probabilities of continued peace

EFFECT ON STOCK MARKETS.

A financial writer has to take account of these great international questions, because, unless he studies them, he cannot follow the true movements of stocks and shares. Look round the Stock Exchange of London at present and you see wide areas of depression caused by international trade rivalry. The rivalry has caused statesmen to adopt unsound fiscal methods in many countries, and these have produced a diminished national revenue, and, in turn, that has made investors chary of their loans. Thus, the foreign bond market stands to-day much below what it should if times were even approaching normal.

Our own British Government credit is not by any means as high as it should be, although it is as sound as any in the world. Let me show by a definite instance what I mean. A few weeks ago the Treasury offered to convert about £110,000,000 of outstanding 5% Treasury Bonds, which are due for repayment next year into 4½ per cent. Treasury Bonds, to be repayable at option from 1929 onwards to their full term. Apparently, if everybody converts, that would mean a saving for the Treasury. But this is only nominal. The conversion is on level terms as to the amounts of the Bonds—£100 of the maturing issue for £100 of the 4½ per cent.'s—but there is a cash payment of £1 per cent. to each person who converts. Obviously, that is another ½ per cent. on his £100 for two years, so that if he claims repayment at the end of that term his 4½ per cent. Bond will have yielded him 5 per cent. per annum. Not only that. These Bonds are, generally speaking, held by banks and other money market houses. For conversion they obtain a commission of five shillings per cent., which raises their total yield on the first two years to 5⅛ per cent. The net result is that the conversion means a slight loss to the nation on all bonds repaid at the end of the minimum period.

TRADE AND INVESTMENT.

If there had been growing incomes from good trade such a generous offer would not have been necessary. The Treasury would have been able to convert to the lower interest rates without any cash offer, and there would thus have been, *pro tanto*, a better outlook in regard to future taxation. This is the sort of effect that decreased trade and tightness of money is having on the operations of our national finances. People with money to lend to the Government are fewer through bad trade and the powerful institutions which have money can exact high terms. I hold that a country is at its strongest when its Government can borrow most cheaply. For investment purposes, what we want is first-class trade shares and securities, which can pay good returns out of abundant profits, and Government securities giving a low return, but, as in the case of British gilt-edged stocks, the highest possible degree of safety. Such a condition of things makes investment a much better thing to the thrifty citizen.

THIS SHOULD BE BOUGHT.

There is one Government security in particular which every shrewd investor should mix liberally with his other purchases. That is 3½ per cent. Conversion Loan, which in these days can be bought at round about £75 for

each £100 nominal. Recent years have seen this stock at over £80, and it will assuredly rise within the next twelve months to nearly that price. As will be seen, its present yield is low, about 4⅜ per cent., but the capital appreciation will make the investment most profitable for a gilt-edged holding should it be realised. This stock is one that will receive an immediate stimulus whenever the Bank Rate goes down.

SOME "SPECS."

In speculative markets there is not much to be expected this autumn. I am strongly favourable to Harland & Wolff Preference shares at up to 16s. and believe that anyone who buys them to hold will see them over par in the next twelve months. I have been asked to name a tin share. I have some faith in Keffi Consolidated at about 5s. 6d., and in Rayfield at about 8s. 6d.; but would remind readers of the speculative character of the tin shares market. In the industrial market William Cory Ordinary at about 48s. are as good as a secured investment and may turn out extremely profitable. There is a good chance, I am told, that Bulmer Rayon 8 per cent. Preference at 12s. 9d. will prove to have been well under-valued.

Speculative investors should take note of two or three rules. "Mix well" is one and "Take your profit early" is another. The most important of all, however, is not to speculate with money that should be carefully saved for the future. The ideal thing in speculation is to put aside a sum that one can use without any reservations, knowing that good fortune with it will be "manna from heaven," whilst ill-fortune will not cause concern or sleepless nights.

The Management of Men.

By CUNLIFFE L. BOLLING,
Author of "Commercial Management," "Sales Management," etc.

Fourth Article.

In this series of articles Mr. Bolling has already dealt with the employment of manual and clerical workers.
The present article deals with the employment of salesmen and throws light on the difficult problems a sales manager has to face.

So much attention is given by the press to the difficulties confronting the employer of manual labour, that the man in the street might be excused for thinking that the works manager of a large business has all the labour troubles.

It will be found, however, that the sales manager has many difficult questions to deal with in connection with the employment of his comparatively small staff.

Many of the difficulties arise from the very nature of the work undertaken by the sales force, from the facts that personality, initiative and originality count for so much on the selling side, and that sales methods must be continually varied to meet changing conditions of trading, and to allow for the growth and development of the business itself.

THE NEWLY ESTABLISHED BUSINESS.

When a business is newly established, the sales organisation is a vague and indefinite thing.

The new trader must have his works or warehouses manned and equipped to give a closely defined service, but he will be prepared to test every channel that may lead to the introduction of business.

A salesman or a sales agent employed in such cases must have an established connection, so that he can bring a number of "ready-made" customers to the new trader.

Under these circumstances the salesman is usually paid according to results, is given a substantial share of the gross profit made on his sales, and is allowed great freedom of action in regard to the fixing of prices, the granting of credit, the giving of warranties, and the methods employed to obtain business.

He is often more of a partner than an employee.

As the volume of sales increases, the sales organisation gradually develops, and in this process the power and authority of the individual salesman diminishes.

WHEN SUCCESS HAS BEEN ACHIEVED.

If the trader is successful in creating a steady demand for his goods the outside representatives become order takers or clerks rather than salesmen.

They have to keep to a fixed price list drawn up by the office, and have no power to make special bargains or to grant credit without the sanction of the office.

Their journeys are arranged for them, and the warranties to be given with the goods are defined by the firm's advertising.

When this stage in the development of a business is reached, the salesmen are usually recruited from the inside workers, it being the practice to select the most gentlemanly and loyal clerks or warehousemen for service in the field.

It follows from the above that the conditions under which salesmen are employed, and the amount of authority given to them are governed by the measure of success the firm employing them has achieved.

A sales manager is naturally anxious to place his organisation on a sound basis as soon as possible, and he therefore looks upon the employment of semi-independent or business-introducing salesmen as a preliminary stage that should be passed quickly.

PIONEER SALESMEN.

He usually avoids giving these first salesmen agreements to serve for a number of years on a high basic salary, preferring to make their employment as casual as possible, and to give them a high commission on the sales they make.

It must be understood, however, that the services of these first salesmen may be of great value and warrant their employment long after the firm has become well established with a steady market for its wares.

In view of this, the sales manager should be careful not to make the decline in the salesman's authority too obvious, and he should give the first salesmen every opportunity to make places for themselves in the sales organisation.

Of course, if one of these salesmen is such an individualist that he cannot fit into an organisation or co-operate with others, he will soon be in conflict with his manager and will have to go.

Salesmen, as a rule, fight hard for authority and freedom of action, but under modern trading conditions the salesman who goes forth in an adventurous spirit, flits about like a will-o'-the-wisp, considers every sale as a bargain or deal and inflicts a great deal of his personality upon the customers, is very much out of place.

Advertising and easy means of communication have stabilised prices, encouraged buyers to deal directly with their suppliers' headquarters and enabled traders to make their own personalities pervade their businesses, no matter how many salesmen they may employ.

The sales manager of to-day has no use for adventurers, wizards or hypnotists: he requires methodical and rational men who will represent their firm in a sincere and efficient manner.

Salesmen are not employed to engage in a form of guerilla warfare with representatives of rival firms, or to trick or force people into buying goods they do not want. They are employed to assist customers to buy, and to open and maintain regular channels for the distribution of their firms' products.

SELECTING SALESMEN.

When a sales manager is in the fortunate position of being able to recruit his salesmen from the inside force he should select the men who are truly representative of the firm—men he is proud of and would like the firm to be judged by.

If there is competition for positions in the sales force, he must choose the candidates who can be of most use to the customers in helping them to buy the firm's products.

In most large firms the sales manager will find that inside workers are anxious to go "on the road," so that there is no shortage of recruits, but enthusiastic and efficient inside workers are not always suitable for outside work.

Some of the best outside men may have natural characteristics that make them unfit for sales work.

It may be that they are essentially team workers who are quite unable to act single-handed. It may be that they are shy or self-conscious, or that their appearance or lack of education is against them.

Of the qualities that equip a man for sales work, energy, determination, patience, resourcefulness, tact and discretion are the most important, and the sales manager must seek these qualities in his recruits.

Youth is often a handicap to a salesman, as a young man does not readily obtain the confidence of buyers, and he usually lacks the tact and discretion that come from experience.

In view of this, many sales managers stipulate that a man must be twenty-six to thirty years of age before he can be sent out on the road.

SALES TERRITORIES.

The majority of firms find it necessary to give each of their salesmen a "territory," so that one member of the sales force is identified with each customer.

This policy is a safe one provided the manager reserves the right to adjust the boundaries of the territories when this is necessary, and care is taken that the firm's business in any territory is not placed entirely at the mercy of one salesman.

There is much to be said for the common practice of giving assistants to the best salesmen.

This frees the senior men from routine work and enables them to concentrate on the more important prospects. At the same time it gives the junior salesmen an opportunity to understudy the senior men and deputise for them at holiday times or in cases of illness.

The sales manager has a great advantage over the works and office managers in that he is not restricted in regard to the number of men he may employ.

A healthy business is able to employ as many business-building salesmen as it can produce, for the sales campaign can always be extended or intensified to provide work for a good man.

Furthermore, the sales force in the field is a training ground for executives. It often happens that a man taken from the inside staff fails to make a successful salesman, but the experience gained in the field broadens his views, and he goes back to the inside staff with new ideas and new enthusiasm

Some firms make it a practice to send every executive " on the road " for a time.

THE SALESMAN'S REMUNERATION.

One of the most difficult problems in connection with the employment of salesmen is the method of remuneration.

With newly established businesses, when " ready-made " salesmen are employed on a more or less casual basis, " payment by results " is the rule, but this method will not do for the representatives of a well established house.

In the latter case, the salesmen must be given security of employment, so that they can consider themselves as part and parcel of the house they represent, and it is customary to give them the benefit of a yearly agreement when once they have passed the probationary stage.

This agreement should ensure the salesman a fair living wage as minimum salary, a sufficient period of notice at the termination of the engagement and refunds of out-of-pocket expenses incurred on behalf of the firm.

COMMISSION SCHEMES.

It may provide for the salesman to receive a commission upon the sales made by him or upon the sales made in a territory for which he is responsible.

If a commission scheme is used it should be simple and moderate, so that there is no fear of controversies arising, and the salesmen's incomes will not be subject to violent fluctuations.

Novel schemes or schemes that are in the nature of a gamble are dangerous because salesmen mistrust them, and they have a demoralising effect upon the force as a whole.

Commission schemes are usually intended to be an incentive for the salesman to do more and better work, so that his turnover is increased.

The existence of such a scheme does not prejudice the salesman's right to promotion, and he is entitled to expect that his salary will be increased from time to time, as and when his services become more valuable to his employer.

THE BEST INCENTIVE.

After all, the knowledge that his work is closely watched by his manager, and that good work will result in a steadily increasing income is a far greater incentive than the best of commission schemes.

It must be borne in mind that in these days the volume of business emanating from a salesman's territory is affected to a great extent by circumstances beyond his control.

Intensive advertising creates bursts of sales which are too often followed by long periods of slackness. Newspaper campaigns sway public opinion for or against whole classes of merchandise, and strikes and lock-outs create depression in industrial areas.

The power of these outside influences is evidenced by the many cases in which sensational advertising has made new products famous in a few weeks and an adverse newspaper campaign pointing out defects in the products has smashed the advertiser in a few days.

In giving a salesman an agreement to serve for a number of years, the manager will consider it necessary to protect the firm against circumstances that may mar the salesman's usefulness. Such an agreement will usually provide for the engagement to terminate in the event of the salesman undertaking any business or social responsibilities that may affect his service to the firm, in the event of long illness preventing him from working, in the event of his being made a bankrupt or convicted for any offence, or in the event of his failing to make proper reports or keep proper records of his actions.

SALESMEN'S REPORTS.

Controversies often arise over the question of reports, for many salesmen are reluctant to record their actions.

When a salesman is offering goods that are in regular demand, the orders he obtains may be sufficient record of his calls, but there are many cases in which reports are absolutely essential.

For example, in the case of firms offering expensive machines or items of equipment that are only in occasional demand, a salesman may have to make dozens of calls upon a prospective customer before he can hope to obtain an order, and his reports are all that there is to show for the progress he makes.

The reports not only help the sales office to judge the salesman's work; they also enable the office to follow up his calls with letters and specially selected literature.

The salesman can rightly complain if he is given too much clerical work to do, but he must carry out his duties methodically and keep in close touch with the organisation to which he belongs.

Next month, Mr. Bolling will deal with the employment of Shop Assistants.

The Woman in Business.

THE woman in business not only exists, but exists in large numbers, and while provision is made for her training in the various business callings, the information anent such training is often of a very general nature, and it is, therefore, not remarkable that numbers of people have only a vague idea of the real meaning and advantages of vocational education, and have no comprehensive knowledge of the enormous sub-divisions in every class of paid work. Take clerical work, for instance; people talk airily about their daughters taking up shorthand-typing, and in their estimation, shorthand-typing is shorthand-typing, nothing more. They fail to realise that the success of their girl as a member of this profession lies in her special bent, and that every branch of commerce demands special attributes in their clerical staff. The shorthand-typist of a big commercial house would be completely at sea in a lawyer's office, for the solicitor's secretary is specially trained in law work; the doctor would not be likely to employ anyone uninitiated in his kind of clerical system, and a big business man would not want the shorthand-typist of a novelist This may seem like drawing fine lines, but there is a lot in it. Parents and guardians should take into consideration their daughter's bent, and in launching them into the world give them a chance to follow it. People often say · " Work is good for everybody." Admitted, but it should be congenial, otherwise discontent and restlessness set in.

We propose in future issues to devote space to women's interests, and to give in detail information regarding vocational training, its cost, where to obtain it, and the salary that may be expected at the end of it. These articles will be contributed by those who have had practical experience and are fitted to assist and advise women who are about to take their places in the business world.

Insurance as a Profession for Women.

THE first thing to be decided by a woman who intends to take up Insurance work if for what branch of the profession she is most suited, and secondly whether indoor or outdoor work appeals to her most; and here it must be stated that in greater proportion the outdoor work is controlled by men. As a beginning, at any rate, it would be advisable to obtain clerical wor kin one of the large companies, or with a broker, as secretary, where all branches of Insurance, Life, Fire, General or Marine are dealt with on a small or large scale as the case may be.

A Fellow of the Institute of Actuaries writes: " An actuary may be defined as a scientific financier, skilled in all problems which involve the combined effect of compound interest and of probability in connection with the durability of human life . . . Neatness in setting down figures and casting with accuracy, and a practical knowledge of logarithms are the elementary qualifications needed for an actuarial clerk, and it is surprising how frequently the student of high mathematical ability is ill equipped for office work in these respects." It will be understood that this quotation refers chiefly to Life Insurance, but in the main it applies to all who wish to turn their attention to general insurance work.

Women have been admitted to the Institute of Actuaries since 1919, and can become Fellows or Associates; to obtain these qualifications serious study is involved and the necessary examinations have to be passed. This can be arranged by attending evening classes and lectures which are given continuously from September to March, or by correspondence classes; in the latter case there is a considerable amount of homework to be done. There are two text-books issued by the Institute; these deal with the two theories of compound interest and life contingencies, the

bases of all actuarial science. An insurance clerk with a knowledge of algebra can read the more elementary parts of these books with comparative ease and advantage, but for more serious study some knowledge of the Differential and Integral Calculus and also of the Calculus of Finite Differences is necessary. Having obtained this knowledge the field now lies open for the Insurance woman who is really competent to combine her book-knowledge with practical judgment. There is no royal road to success, and progress must spread itself over several years, but there is a good future for those who have business aptitude, tact, and above all, " grit."

For the woman who prefers the business side of Insurance, i.e., the acquisition of complete cases, and who in addition to salary earns a commission and is an outdoor worker, entirely, Insurance has a very different aspect; here, personality, diplomacy, patience, and an ability to converse and discuss all aspects of a case with clients, all are essential to success, explaining always, for instance, the great advantage of life insurance premiums free of income tax, endowment for middle age, etc. It is upon the individual's abilities that prospects depend, and she should make the best advantage of all opportunities which come her way in the course of the daily routine. She must be sure to prove herself useful in her particular department, and specialising will come gradually, when she realises what is her particular line in the profession, and thus, later, her position will become assured.

In regard to pay women must understand that there is much to learn, and that as a beginner she must not expect to receive much more than her maintenance, but sooner or later, if she is really going to progress, her brain power will make itself evident and her official salary will rise accordingly. In summing up let it be remembered that aptitude for mathematics, a knowledge of office routine, patience, tact and " sticking power " are the essential qualifications for the Insurance woman. It is not, by any means, one of the easiest careers on which to embark, but it is undoubtedly work which is worthy of accomplishment.

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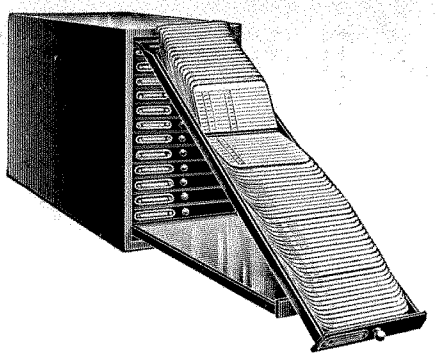

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L P. 1048

SELLING AT RETAIL (*Continued from page 70.*)

of Enthusiasm Mr. Pelz writes with an inspired pen. A typical quotation is given on page 91 of this journal.

The insight into the mind of the lady customer is a wonderful example of the value of analysis.

Selling at Retail.

By

V. H. PELZ, A.M.

Associate Professor of Business Organisation, Graduate School of Business, Stanford University. Sometime Assistant Professor of Marketing and Business Organisations, University Extensions Division, University of Winconsin.

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(*Continued on page 80.*)

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P-P-7

The Industrial Crisis and the Way Out.

By MICHAEL RENTON.

A Striking Article on the present situation in British Industry and the desperate need for a remedy.

BRITISH industry is sick, not perhaps unto death, but its condition is critical in the extreme. It is being bled white by internal strife. Self-destructive tendencies are at work which, if not arrested, spell inevitable ruin, and the commonsense of the nation demands that a remedy shall be found.

STRIKE STATISTICS.

What is the present position? It could not be better reflected than in the figures given by Sir Arthur Whinney to the autumn meeting of the Institute of Chartered Accountants last month at Bristol.

The unemployed now number 1,660,000, or over 14.5 per cent. of the total insured workers, exclusive of those normally engaged in the coal industry. From January last to the end of July no fewer than 223 industrial disputes, involving stoppages of work, had arisen, the number of workpeople involved being 2,736,000, resulting in a total loss of no fewer than 83,244,000 working days.

As Mr. Frank Hodges has recently pointed out, this everlasting dagger-in-hand business is bringing ruin on us all. It is making us the laughing stock of the world.

PEACE, OR PARALYSIS.

Peace in industry we must have, if we are to survive as a great manufacturing nation, and it is unthinkable that we should contemplate reversion to an agricultural community, which is the fate beginning to be smugly prophesied for us by Americans, without a great national effort to avert such a calamity

"Give us peace in our time," cried Mr. Baldwin in an appeal that awoke an electric response in Parliament at the time. But it is idle to sit with folded hands to await its coming. The Angel of Peace is not to be wooed in this fashion. Nor is the national industrial peace week which was suggested by the Advertising Conference at Manchester last month likely to be more helpful, unless a new spirit can first be created among both employers and workers, and a new incentive for united effort be established. The problem is how to recapture the magnificent spirit of national unity which found expression in face of the common peril of the War. Assuredly, the need is not less urgent to-day.

PROFIT-SHARING FUTILE.

In these critical circumstances men's minds are turning more and more to the study of the principle of industrial co-partnership as a remedy for the ills that beset us. Mere profit-sharing is not enough. It has been tried, and too often found wanting. It is a sop accepted even in times of prosperity unwillingly enough, but a futile expedient in times of depression, and its failures are a melancholy comment on the hopes of its supporters.

PROGRESS OF CO-PARTNERSHIP.

The principle of co-partnership responds to the more fundamental aspirations of Labour, and above all, to the worker's conception of justice, with a completeness infinitely superior to that of profit-sharing. It is significant that other countries, not under the whip of necessity like ourselves, are finding it desirable to adopt the principle more and more in order to provide Labour with the necessary incentive to maintain economic production. Notably is this the case with America, where employees' shareholdings have enormously increased in recent years, and now total an impressive figure.

BRITISH EXPERIMENTS.

In this country several interesting experiments in industrial co-partnership have been made, with results that plainly indicate the remarkable possibilities latent in the principle. Reference can be made to but two only in the space available.

The system adopted by the South Metropolitan Gas Company has, since 1899, enabled over a million pounds to be distributed among the workers, who, to-day, own over half-a-million of stock in the company, and have their interests directly represented by two employee members of the Board of Directors.

The Leverhulme system of co-partnership also furnishes another notable example of the success of the principle, enormous amounts having been distributed in dividends to the co-

partners, while very large sums belonging to them never go out of the business at all, but remain to supplement its resources, and to increase the employees' interest in its success.

A NEW ZEALAND SCHEME.

Great interest is being taken by many industrial leaders in the development of the co-partnership principle in New Zealand, where an ingenious scheme initiated by Mr. H. Valder, head of the saw-milling firm of Ellis & Burnand, of Hamilton, is attracting much attention. The scheme is fully described in a pamphlet written by Messrs. Harty & Valder, and to which Sir Lynden Macassey contributes a foreword. It is obtainable in London at a shilling.

THE COMPANIES' EMPOWERING ACT, 1924.

In order to permit of the general adoption of the scheme in New Zealand, an amendment to the Companies Act, 1908, entitled the Companies Empowering Act, 1924, was passed by the legislature.

The essential provision of the Act enables any registered company, if authorised by its memorandum of association, to issue special "Labour" shares to employees. These shares have no nominal value, and form no part of the capital of the company. They are not transferable, except under the company's regulations, but they entitle holders to "attend and vote at meetings of shareholders and to share in the profits of the company or in its assets in the event of its being wound up."

On the death, dismissal, or resignation of the holder, the shares are surrendered, their current value being paid over to his personal representatives in cash, or in ordinary shares, at the company's option.

Another useful provision of the Act is that no scheme is valid until the Court of Arbitration under the Industrial Conciliation and Arbitration Act, 1908, certifies it to be favourable to the general body of workers.

THE RIGHTS OF SERVICE.

The principle behind this interesting New Zealand scheme is the recognition of the right of the employees—the Contributors of Service—not only to a share of the profits after the Ordinary shareholders—the Contributors of Property—have received a fixed remuneration based on the current market value of money, and, in addition, a risk rate proportionate to the risk run, but also to a share in the control of the enterprise. In other words, they have a definite interest in the business, other than the interest inspired by the fear of losing their jobs.

THE WORKERS AS CAPITALISTS.

Ideas are, of course, international, and can it be doubted in the face of this American and New Zealand experience, and of our own, that the idea of industrial co-partnership is gaining ground in very notable fashion. Is not the time ripe for a wide extension of the principle in this country? It involves a measure of sacrifice to the owners of capital, of course, some yielding of the ground so stubbornly held against the malcontents of the new era. But if this unrest from which British industry is now suffering so seriously, be, as Lord Emmott has lately suggested, not the unrest of desperation, but the unrest of aspiration, then undoubtedly the principle of co-partnership offers a method of satisfying Labour aspirations, not antagonistic to the workers' inherent sense of justice, and not inimical to the ultimate interests of Capital. Let the workers have more opportunities of becoming capitalists in order that they may themselves experience the amazing vitality and constructive power of the principle of Capitalism.

WHAT PRIVATE ENTERPRISE MUST OFFER.

It is not enough merely to condemn Socialism as a baneful thing, or to demonstrate its futility as a creed for Labour. An alternative must be available. There can be no going back. If the spirit of progress is to be kept alive in the nation, private enterprise must offer a new incentive to personal effort, continually increasing opportunities for individual initiative, and larger rewards for the social service contributed by industrial workers. Otherwise, the future of British industry is dark indeed.

Labour, betrayed by its Marxist hopes, and cruelly disillusioned of its leaders, is in the mood to experiment with such an alternative. Co-partnership offers the way out.

SELLING AT RETAIL (*Continued from page 78.*)

The remarks of a lady reader, "Truly we see ourselves as others see us," reveal the extent of the penetration of the feminine armour, while the further comment from the same source, "that the book is absolutely fascinating to the *intelligent* housewife and contains knowledge not only helpful in buying, but of value in the home," followed by a suggestion that much of the book might be issued in a popular edition for the use of women, may be accepted as evidence of the thorough treatment given to the description and values of goods.

It is our considered opinion that within the scope of the subject, "Selling at Retail" lacks a serious competitor.

Modernizing Abyssinia.

By C. F. REY, F.R.G.S.

(Commander of the Order of the Star of Ethiopia.)

Author of "Unconquered Abyssinia as it is To-Day," etc.

Abyssinia, the last of the great empires of Africa, has been somewhat to the fore of late. There is the question of harnessing the flow of the Blue Nile by the construction of a dam or weir at Tsana Lake to ensure a more efficient water supply for irrigating the extensive cotton-fields of the Sudan and also of Egypt, while Italy is desirous also of obtaining certain concessions. While Abyssinia stands to gain by such developments, she is apparently a little nervous as to the wisdom of granting the desired request. Not least, she is, a member of the League of Nations, and as such is called upon to observe certain obligations. Although one of the oldest of Christian nations, her people are not only very backward, but slavery and other evils exist. She was admitted to the League on the understanding that these evils would be abolished. Our author, who has travelled extensively in the country, gives a picturesque description of the land and its people, with hints as to its commercial possibilities, and how Abyssinia is assuredly becoming more modernized.—Editor.

WHEN, in 1907, Captain Bentley drove the first motor-car that ever entered Abyssinia from the coast to Addis-Ababa, the capital, the journey occupied nearly seven months, and the monotony of the route was pleasantly varied by fights with indignant tribesmen who thought that the new "devil-cart" was going to replace the camel-borne trade out of which they made their living as carriers.

To-day the journey can be made by train in three days. The word "can" is used advisedly, for the railway is subject to lapses which are apt to lengthen its extent appreciably. The Dankati tribesmen still feel that steel rails are best employed as raw material for spears, and the copper telegraph wire makes attractive bracelets and body-belts for their women-folk.

RAIL—AND OTHER SERVICE.

So an occasional raid results in some kilometres of wire disappearing into the blue, while in order to avoid regrettable incidents the trains run only by daylight, when a missing rail can be more easily observed. The rainy season is also apt to cause interruptions of the service by washing away sections of the permanent way.

Apart from these little incidents, and breakdowns of the rolling stock, the journey from Djibonti to Addis-Ababa is interesting and not unpleasant, and the rest-houses at Dire-Dawa and Hawash, at which two nights are spent on the way are quite tolerable.

Addis-Ababa is a pleasant place in which to live and work. Situated on the southern slopes of the Ewtoto Mountains, some 8,000 feet above sea level, it enjoys a delightful climate the whole year round, comparable to a temperate summer day in England. It is embowered in eucalyptus trees and is intersected by two rivers; a somewhat primitive race-course and polo ground lie between the town and the foreign legations some four miles outside; and if only the powers that be could be induced to introduce a water supply and some form of sanitation, it would be even more pleasant than it is.

SANITARY SERVICE!

As it is, the scavenging arrangements are mainly in the hands of the carrion birds (vultures, hawks and crows), and the troops of half-wild pariah dogs that sleep all over the town in the sun during the day, and make night hideous with their howling; they are assisted in their well-meant endeavours by jackals and hyenas, which come up into the town from the river beds after dark to take a hand in cleaning up,

Mr. Rey leading the Caravan across the Nile at Shifartak.
[From Block produced by Central Process Engraving Works.

which they extend to the cemetery by digging up and eating bodies which have not been buried deeply enough.

ANCIENT AND MODERN.

Addis-Ababa is an extraordinary compound of the remote middle ages and modern innovation. The arrival of the railway in 1918 enabled much to be imported that was novel to Abyssinians, and the visit to Europe in 1924 of the Regent and a score of the principal people of the country whetted their appetite for the products of Europe.

They all took back motor-cars with them, and then, in order to be able to play with their new toys, they set to work busily to make roads in and around Addis. Now there are nearly 200 cars of different makes in the town, and as they are mostly driven by half-trained native "chauffeurs," regardless of any speed limit or of obstructions in or boundaries to the roads, the life of a car there cannot, I imagine, be a very long one, and the bills for repairs and tyres must be alarming.

Loss of life due to these vehicles is surprisingly small, for the inhabitants, with their long strings of ponies, mules and donkeys, and their cattle and sheep, coming into market, stampede frantically to the sides of the road on the approach of a car, and beyond hurling maledictions at the author of the trouble caused by bolting mules strewing the roads with their loads, not much harm is done. Apart from the new roads, the town and its people change but little, and outside the natives live as they lived a thousand years ago. Even in Addis they still all, men and women, wear the picturesque national dress of white cotton shirt and trousers, over which is draped the "shamma," a toga-like garment also of white cotton, which serves as coat or wrap or ornament during the day and as bed-clothes at night. In the rainy season those who can afford it wear a brown woollen burnous, a sort of circular cape with a pointed hood; this again is the same for men and women, the only difference being that men wear the hood drooping down on one shoulder, whereas in the case of women it is worn in the middle of the back.

All except the most wealthy go barefoot in the town, whether walking or riding mules; they use rough, native-made sandals when travelling in the country.

DIET—WISE AND OTHERWISE.

Their diet is of the simplest; it consists for the most part of large thin flat loaves of bread made of "teff" (a sort of millet), and very hot, peppery compounds of beans and other vegetables, so hot indeed that the average European suffers the most acute pain on trying to swallow the fiery mixture for the first time. Their great gastronomic delight, however, is "broundo," that is raw meat eaten practically "hot from the cow." I have seen 15,000 men being fed at the great royal banquet on a feast-day, and a wonderful sight it is. Great red raw joints of beef are brought in hanging from poles carried by pairs of men; from these the diners cut off strips of meat, and stuffing it into their mouths as much as will go in, slice off the rest by an upward slash of their knives, a course fraught with some peril to those whose noses are out-sized.

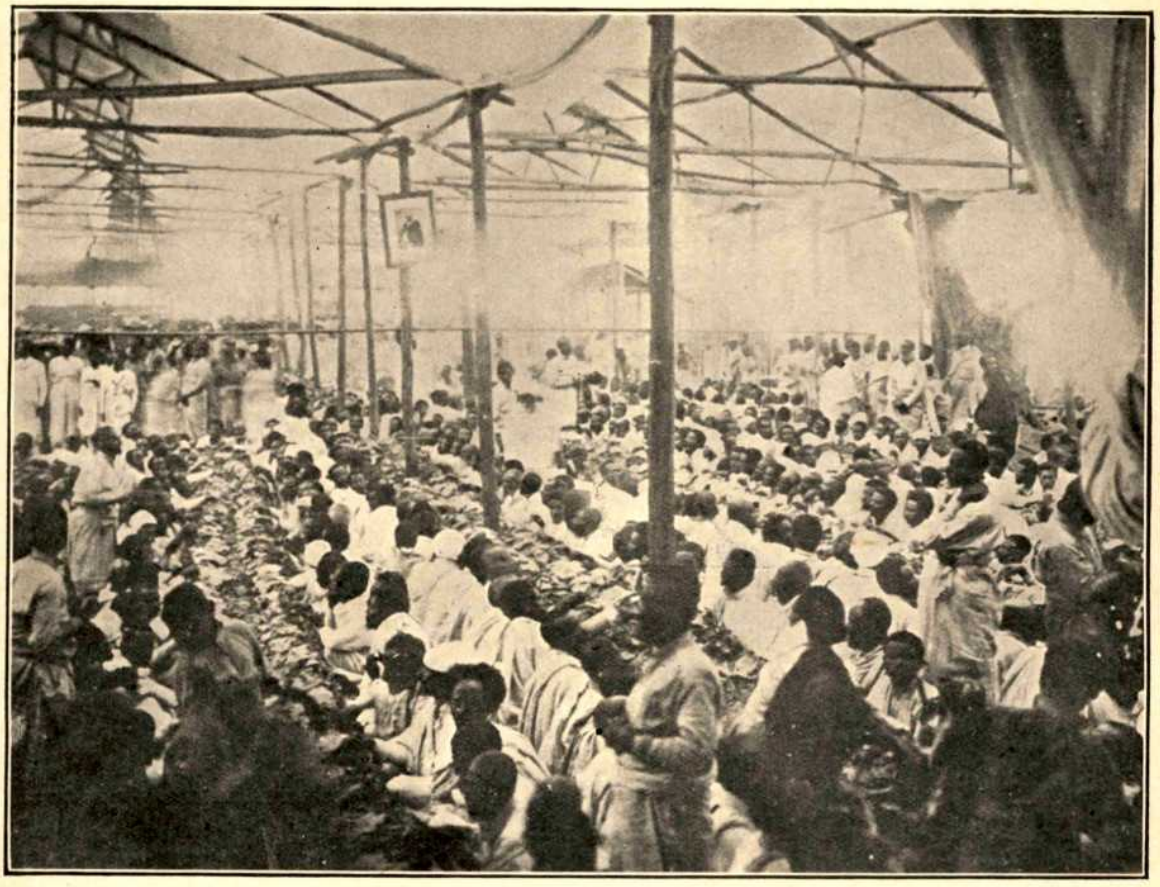
And then one meets with the astonishing contrast of a dinner party at the Regent's palace, where on gold and silver plates, beautiful china and spotless linen, Europeans are entertained to meals which would do credit to the best of European chefs.

CONTRASTS AND CUSTOMS.

In the market place the same glaring contrasts are met with—motor-cars and bicycles pass along the roads, and sewing machines rattle in the go-downs, while hanging on a tree in the corner may be seen three or four corpses of malefactors, left there for several days as a warning to their fellows.

The system of justice is based on the Mosaic code—an eye for an eye and a tooth for a tooth—so that the penalty for manslaughter is death, and very often, moreover, death at the hands of the family of the victim, and in the same manner as that in which he died.

Quite a common sight is a couple walking about perfectly amicably chained together by the wrists. They are debtor and creditor, or perhaps



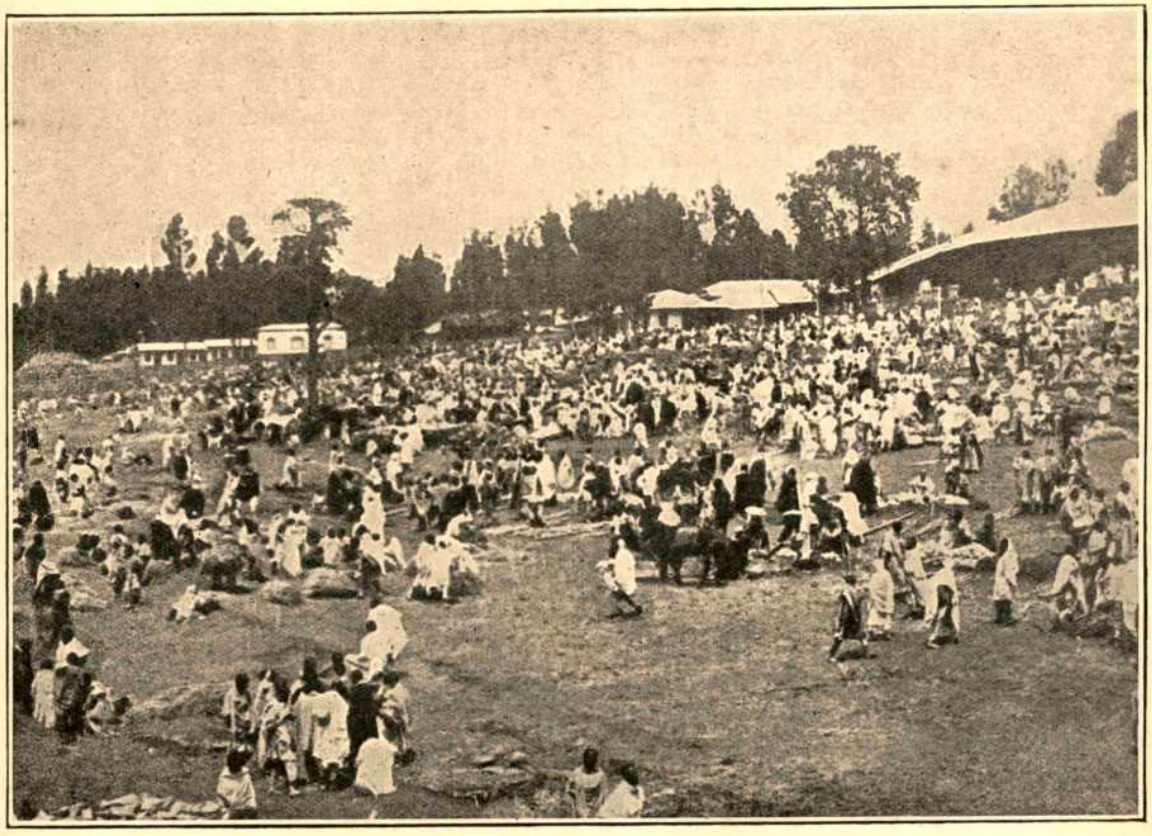
A Gebur or Raw Meat Banquet, Part of the Hall where 15,000 men were fed on raw meat in three relays.

[From Block produced by Central Process Engraving Works.

accuser and accused in some civil suit. The procedure has much to recommend it (though it might perhaps be difficult to introduce it into Europe) for it provides a distinct incentive to the debtor to discharge his liability, while it must also tend to discourage frivolous or groundless claims and accusations.

THE LURE OF LITIGATION.

This is very necessary, for the Abyssinians are passionately fond of litigation and argument, and every day at any shady corner in Addis can be found an impromptu court of law where a passer-by has been impressed as a judge and the contending parties are shouting out their claims before him with a great wealth of gesticulation and noise.



General view of the Market Place at Addis Ababa.
[From Block produced by Central Process Engraving Works.

All these scenes, and indeed most of the life of Addis, centre round the market place, a vast expanse of open ground in the middle of the city. Here every day except Sunday is a scene of immense activity, for the Abyssinians are great traders and keen bargainers. All along the roads leading into the town come long strings of pack animals; small donkeys half hidden under immense loads of grass or piled high with earthenware "gombos," or dung cakes for fuel; mules bringing in hides and skins from the cattle districts; animals of all kinds carrying bundles of wood, sacks of grain, skins of butter or honey, packages of pepper, or dozens of live fowls tied together by the legs and hanging head downwards—all guided by groups of wild-looking Abyssinian or Galla peasants, the men burdened only with spear or rifle, the women carrying almost as much as the animals they are driving.

They wend their way to the different sections of the market-place, for each category has its own allotted space; and then the goods are unloaded and spread on bits of cloth on the ground, while the wretched, sore-backed pack animals snatch a brief rest in the dust and sun. There is a special corner for livestock, where mules and donkeys, goats, sheep and poultry are sold, the horse market being a separate affair held once a week in another part of the town.

All over the market-place are dotted little booths consisting largely of piles of stones (though some more ambitious shelters have been

put up recently) where the native traders exhibit for sale every variety of produce to be found in the country, together with quantities of cheap rubbishly European stuff in the way of cups and saucers, beads, tin pots and pans, enamel ware, soaps, glasses, decanters, etc.

Around the outside of the market-place are the shops of the small Greek, Armenian and Syrian traders, and the bigger buildings of the wealthier merchants, the largest store in the town belonging to the Indian firm of Mohamedally, the few European trading companies, the Tobacco Monopoly, the Custom house, etc. The Bank of Abyssinia, a branch of the National Bank of Egypt, is near by, whilst one side-street is entirely devoted to imported cotton goods.

TRADE OPENINGS.

The bulk of the imports consist of cotton yarns, sheetings and piece goods, which are required in large quantities for the universal dress of shirt, trousers and "shama"; corrugated iron sheeting, used to an ever increasing extent for roofing in place of thatch; motor-cars and bicycles; sewing machines, which can now be seen in many a native hut; enamel ware, especially cups and mugs; tinned fruit and tinned fish, the latter of which is largely eaten by the Abyssinians during their long fast periods, fresh fish not being obtainable; soaps, of which large quantities are used by the people for washing their white clothes; scents; soft felt hats and boots, which are beginning to be largely adopted by the wealthier people; silk yarns and piece-goods; pottery and glassware; and a variety of cheap bric-a-brac.

There is little doubt but that the demand for these classes of goods could be greatly stimulated, and many new demands created by enterprising salesmanship, not merely among the 70,000 inhabitants of Addis Ababa, but throughout the country. The visit to Europe in 1924 of so many prominent Abyssinians, the fact that young Abyssinians are now being educated in England, France, Italy, Belgium, Egypt and America, and their increasing contact with Europe through their connection with the League of Nations, added to the larger number of Europeans in

Interior of the Church of St. Mark at Debra Markos.

[From Block produced by Central Process Engraving Works.

Addis-Ababa, must infallibly speed up the awakening desire of the Abyssinians for European commodities.

EXTREME FERTILITY.

And to obtain the wherewithal to purchase these they must produce more, a result easily obtainable. The soil is so rich that two and in some parts three crops are raised in a year, though they only scratch the surface of the ground with their wooden ploughs. The differing altitudes to be found in the country, sea-level to 15,000 feet, and consequent variations of climate and temperature, enable an infinite variety of products to be raised, and within the limits of even a day's march one meets with tropical, sub-tropical and European vegetation.

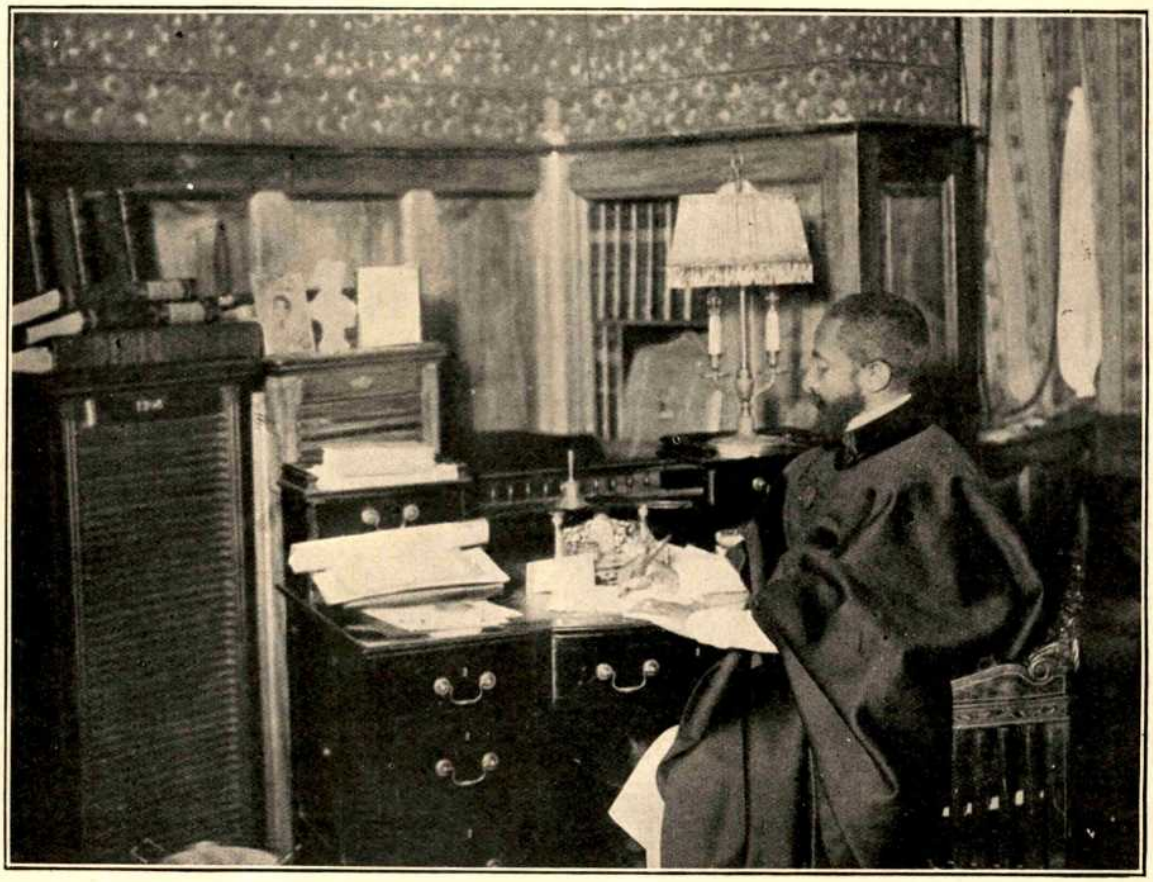
EXPORT POSSIBILITIES.

Coffee of excellent quality, hides, skins and wax are produced and exported in large quantities; grain of all kinds, wheat, barley, millet, maize, doura, etc., various oil-seeds, and quite good cotton are all raised. French and Belgian companies are successfully exploiting large coffee plantations and are experimenting on a considerable scale with cotton; while although the country is as yet unsurveyed, the presence of minerals is highly probable.

THE HERITAGE OF BROKEN FAITH.

But caution is necessary in dealing with the Abyssinian market, and it is extremely unwise to embark on the attempt without a practical working knowledge of the rather special problems and difficulties to be met with, and the peculiar mentality of the people. They are keen traders, they sent their caravans to Arabia in the time of Mahomet, and their ships to India long before then; but they are deeply suspicious of the foreigner, which is hardly surprising in view of the way they have been treated by the so-called whites of doubtful origin who have given them most of their ideas of "European" trading methods.

In many parts of the country the peasants weave their own cotton "shamas," ginning the raw cotton by hand and completing the cleansing of it by flicking it with the string part of a sort of bow made of wood and gut; the weaver works



H.I.H. Ras Taffari signing the Edict to regulate and reduce slavery.
[From Block produced by Central Process Engraving Works.

his thousand year old hand loom sitting with his feet in a pit, in the manner described in the Bible.

OIL AND —!

I came across an oil-seed crushing mill once; a camel was chained to a log fastened into a hollow tree trunk, and as the patient animal walked round and round in a circle the heavy log ground the oil-seed against the trunk and a thin trickle of oil ran out at the bottom. The proud proprietor invited me to taste some in the filthiest cup I have ever seen, but as he had stirred it up with his even more filthy fingers my courage failed me, and consequently I am unable to express any opinion on the merits of the oil.

MODERN CURRENCY.

The currency is the Maria Theresa dollar, nominally worth about two shillings, to-day's rate being approximately nine and a half dollars to the pound sterling. In the last few years it has shown remarkable variations, ranging between five and eleven to the pound, but its activities are likely to be less marked in the future, as merchants have taken to buying their own supplies of dollars direct from Trieste, where they are minted.

No other currency is accepted, and, outside Addis, everything has to be paid for in hard coin, paper money and bills not being understood. For example, to buy coffee in the west of Abyssinia, dollars must first be bought in Addis and sent a month's journey loaded on mules, hidden away in cotton goods to avoid attracting too much attention—only thus can the coffee be paid for.

PRIMITIVE CURRENCY.

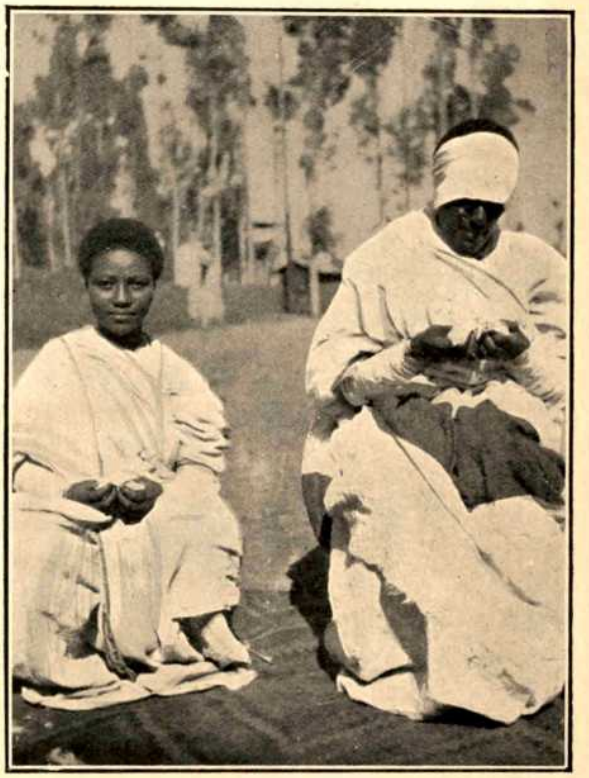
In Gojam indeed, and in some other remote districts, the small currency is still to-day bars of salt a foot or so long, about five or six of which go to a dollar; for a single bar it is possible to purchase a couple of chickens, or from a dozen to twenty eggs.

In other parts I have paid for a night's lodging for my mule (when my caravan had gone astray) with a couple of cartridges.

Apart from the railway from the coast to Addis there are no means of communication other than tracks, and the native merchants, known as "nagadis," drive their long caravans of mules, donkeys, ponies or camels from end to end of the country over these picturesque routes, fording rivers, clambering up and down tremendous passes in the mountains, and camping amid scenery that to the European traveller is a sheer joy—forest, parkland and plain, mountain, valley and river, surrounding each other in delightful succession, while flowers, flowering trees and shrubs, and the most variegated vegetation delight the eye.

"JUNGLE LAW" IN COMPETITION.

This aspect of journeying does not, however, enter the head of the "nagadi," nor, I am afraid, of some of his Greek rivals. One of the latter related with immense pride how he had out-distanced all his competitors in the rush to get the first of the coffee crop to the Nile by breaking down behind him all the bridges that the rainy season had left standing. His method of dealing with short weight in any of the sacks of coffee carried by his porters was also simple and drastic—it consisted in imprisoning them, securely handcuffed, in his own go-downs for such time as seemed good to him, or until an adequate "ransom" of coffee was forthcoming.



Ginning Cotton.
[From Block produced by Central Process Engraving Works.

I am glad to say, however, that he was not typical of the genuine European traders in Abyssinia, who are increasing in number rapidly. Now, indeed, that the railway has been established and that the country is settling down there is bound to be a great amount of development, and as the governor of each province follows the example of the ruler at Addis and builds roads in and about his headquarters, a net-work of communications will no doubt gradually extend from centre to centre all over the country in time.

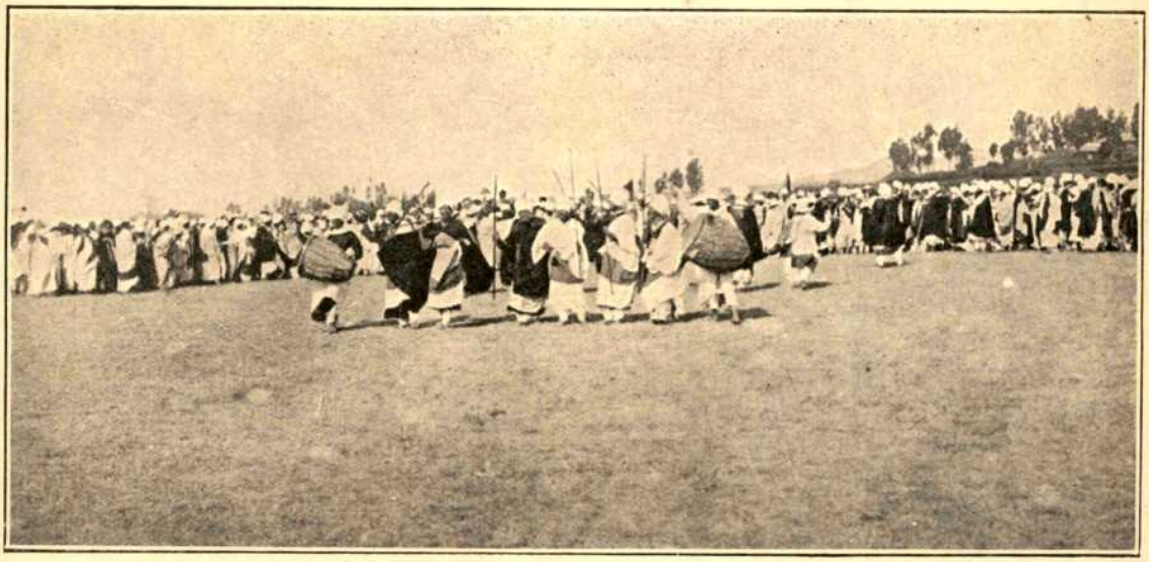
But change does not come rapidly in Abyssinia, and although a beginning is being made, it will be some time before the resources of this potentially wealthy country can be fully utilized.

Governor of an Abyssinian Province and his men in full war dress. Weapons and shields carry one back to the Middle Ages.

[From Block produced by Central Process Engraving Works.

Geds (Tchellea), a typical Abyssinian Village.

[From Block produced by Central Process Engraving Works.



The Dance of the Priests. A survival of the old rite described in Scripture as "dancing before the Ark of the Covenant." [From Block produced by Central Process Engraving Works

Church of St. George in Addis Ababa.
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Selling and Buying.

A PSYCHOLOGICAL STUDY.

By E. AMY.

What principles are common to all business transactions? Is Courtesy one of them? Shall the buyer be as courteous to the salesman as the salesman to the buyer? What do our readers think?—EDITOR.

HOW often do you meet a man who is as consistently polite to the fellow who wants to sell him something as he is to the fellow to whom he wants to sell something? Very rarely.

Yet why should there be two standards of conduct for buyers and sellers? Both common courtesy and (as I hope to show later) common sense demand but one.

Human nature being imperfect, men are of course seldom as pleased to meet a seller as they are a buyer, and through lack of self control they show their feeelings instead of disguising them. The salesman's one object is to make a sale and, with that end in view, he spares no efforts to ingratiate himself with the possible buyer. He is willing to discuss with him any subject under the sun from the Budget to children's measles though it may not interest him in the very least, and his manners are consequently tactful and altogether irreproachable. The buyer, on the other hand, does not feel any need to please the salesman and therefore takes no trouble to make his conversation interesting or to show him any special courtesy. Not only may he be indifferent—he may be even annoyed by the very presence of the salesman whom he does not want to see at that particular moment and who is distracting his thoughts from some matter which is more congenial to his mind or more pressing in its needs for attention, and he frequently shows his irritation in an unmistakable manner.

COURTESY; BUYER v. SELLER.

This wide discrepancy in manners has recently been impressed upon me very strongly and I never realized before how great the difference was. I have lately been calling on some firms to sell them a certain service. Now I have been in the habit of calling on these firms in the past, but always as a *buyer*. Naturally, I have always been welcomed with open arms, as it were, and treated with the greatest courtesy and consideration.

But when I visited these same firms as a seller instead of as a buyer I found a very marked difference in the treatment I received. I have been compelled to wait an unreasonable time for interviews (a thing unknown before) and the buyer, when I have at length been ushered into his august presence, has been brusque and curt and has indicated very plainly that I am taking up time which is exceedingly valuable to him. When he has expressed a favourable opinion of the proposition I have put up to him it has frequently been given with an air of patronage and condescension.

A TYPICAL EXAMPLE.

I will give one typical example. I have called on a certain firm many times in the capacity of a buyer. I have never had to wait more than five minutes at the utmost before I was attended to and then I have invariably been treated as though I were one of the firm's greatest friends. The salesmen have been courteous in the extreme, escorting me all over the firm's showrooms, not even allowing me to make a trip in the lift alone, listening to any opinions I cared to express with the greatest deference and meeting my views in every way when possible. The natural result of this treatment was that I had for many years held a high opinion of the administrative abilities of that firm.

A few weeks ago I communicated with them with reference to a selling proposition of mine and fixed an appointment with their buyer (whom I will call " Mr. Jones ") for 11 o'clock on a certain day. At 11 punctually I called and presented my card stating that I had an appointment. The liftman took me up to an upper floor and conducted me to " Mr. Jones's " office which was empty. " He's sure to be back in a minute or two," said he, so I said I would wait, and the man returned to his duties. As the office was unoccupied I did not like to sit down in it uninvited so I waited in the corridor outside where, by the way, there was no seating accommodation. At *11.30* " Mr. Jones " turned up, looking rather worried and distinctly disagreeable. " I don't know how I can possibly see you now," he commenced," I'm so frightfully busy this morning." Not a word of apology for keeping an appointment thirty minutes late. I said " Very well. Shall I call again later, say at 12 o'clock? " " Yes," he replied, " that will do nicely. I shan't be so rushed then."

SELLERS ARE POSSIBLE BUYERS.

At 12 o'clock I called again. Again I found his office empty and again I waited in the empty corridor, only this time rather longer. At 12.35 " Mr. Jones " appeared. Again no apology for being late. " I'm afraid I can't give you more than five minutes," he said, looking at his watch impatiently. My feelings at this point can only be described as akin to those of Bret Harte's Truthful James when he went for the Heathen Chinee, and if I hadn't been a really good tempered man I should have sworn at him, good and strong. I felt more sympathy for the lot of the commercial traveller at that moment than I had ever felt in my life before.

Now I do not suppose that this buyer, although he was one of the partners in the business, knew for a moment that I had bought goods from his firm for years, because he probably lived in a watertight compartment and only concerned himself with his own particular branch of the business, but he did know from my correspondence that I had been in control of various businesses for a number of years and consequently he might reasonably have regarded me as a potential buyer of his firm's goods, although his conduct would have been no more excusable had I been an ordinary commercial traveller.

Every seller is a possible buyer. That is a maxim no buyer should ever forget. It should be printed in large letters, framed and hung on his office wall.

NEGOTIABLE VALUE OF COURTESY.

As an illustration of the potential value of this fact I would mention one other incident. I recently called on a firm of house furnishers and here the buyer was a Managing Director who received me with the utmost kindness and courtesy, a fact I am pleased to record lest I should give my readers the impression that I thought all buyers were like the one mentioned above. His office was at the extreme end of the firm's showrooms. On my leaving, he personally conducted me to the door and although we walked through long avenues of furniture piled high on either side, he neither drew my attention to it nor alluded to it. As it happened, I was at the time rather interested in furniture and consequently in a somewhat receptive mood to discuss it. Had he expressed any wish to talk about it I should in all probability have welcomed his remarks and he *might* have made a customer of me on the spot.

If every buyer would remember that the selling side of his business is equally as important as his own, much more business might result.

ENTHUSIASM is the white heat that fuses all other good qualities into one effective mass. A little illustration: take a piece of blue glass and a sapphire. You can polish that glass until it has a surface as smooth and hard as the sapphire's. But when you look down into each of them you see thousands of little lights shining up at you out of the sapphire that you cannot see in the blue glass—and you never can get out of the blue glass those little tongues of flame which just seem to leap out as you look at the sapphire. What these little lights are in a sapphire enthusiasm is in the man. Some men are almost irresistible; it is because Enthusiasm radiates from their features, beams from their eyes, is present in their actions. A man lacking enthusiasm is only a statue.

From *Selling at Retail*, by V. H PELZ.
(McGraw-Hill Publishing Co.)

The Influence of the Different Wage Systems on Costs of Productions.

By W. JONES.

One of the outstanding problems of Industry is the adjustment of the balance between the necessary claims of the workman, and the economic necessity of the business man meeting competition. How the incidence of this adjustment may be secured without unfairness to the workman or. penalising of articles sold in the market of the world is a question to which our author makes some contribution.

IN these days when the main desideratum of all businesses is for economic production, it is a moot point as to whether the influence that the various methods of wage payment has on the costs receives the consideration it deserves. To this end therefore a review of the various methods in vogue together with an illustration of their effect may not be without interest. The systems to be considered are 1. Daywork, 2. Piecework, 3. Halsey Bonus, 4. Weir Bonus, 5 Rowan, 6. Gautt System. Dealing with them in the order named :—

1. **Daywork.** This is in effect the simplest form of wage payment and consists of paying a standard rate of wages—usually fixed in agreement with the Trade Unions—for a standard working week. From the efficiency point of view, this system leaves much to be desired for the following reasons :

1. There is no incentive to the employee to increase his output.
2. It offers no direct inducement to the employee to find better ways of doing the work in hand since he naturally argues that any benefit arising therefrom will only go, as a rule, to his employer.
3. Owing to the necessity of paying the least efficient workman a certain minimum wage, an employer cannot afford to pay a first class man a wage equal to his merit.

This system is usually confined in manufacturing businesses to such employees as Labourers, Storekeepers, etc., and an up-to-date commentary on its ill effect on production is contained in the recent report on the Shipbuilding Industry, where its abandonment in favour of some system of payment by results is definitely urged. For the purposes of this article then it is not proposed to make further reference to this method and we next consider :

2. **Piecework.** The piecework system in most common use is really a combination of both Daywork and Piecework inasmuch as the man is guaranteed a weekly minimum wage which he receives irrespective of the quantity of work he may turn out. All work given out to a man has a piecework price fixed on it and his object then is to turn out at least sufficient pieces at the price to cover his minimum or day rate. If he does more than this he earns a balance, if he does less he gets into debt, the amount of which must be discharged out of any subsequent balance he may earn. For example, if the man's rate is 1/- per hour and he is given a task with a price of 6d each, he must at least turn out 94 articles in a 47 hour week to earn his day rate. With this output, there is of course no balance one way or the other. Should he however turn out 130 articles he would receive 65/-, that is 47/- day wage plus 18/- balance. On the contrary if he only turns out say 80 articles, he would really only have earned 40/- but would nevertheless be paid his 47/- for the week and he would then be in the firm's debt to the extent of 7/- which amount would have to be refunded out of any subsequent balance he may earn.

Broadly speaking, the more simple the method of wage payment, the less friction is likely to occur and for this reason, of all the systems of payment by results, the piecework system is often preferred to others whereby the employee needs to make a calculation to arrive at the amount due to him. Under the piecework system, a definite price is fixed for a given job. Whatever the length of time taken on the work, this price represents the exact labour cost, no more and no less. This of course is not so under the various Bonus systems as we shall presently see. Any reduction in cost under the piecework system is only effected by increased production and again such reduction is not proportionate to the increase in output, for Overhead Charges do not decrease directly in the same ratio. Greater output may involve heavier handling charges, an increase in storage space and an addition to the cost of machine and tool

maintenance, etc. Under an older form of piecework, the standard day rate is not guaranteed and the wages a man earns represent the gross prices of the various articles he has been engaged on during the week.

3. **Halsey Bonus System.** The various bonus systems differ mainly from piecework in that a time allowance is substituted for a piecework price. The procedure is that a fair and reasonable time is estimated in which a given task can be done, and on to this is added such extra allowance as will ensure that when the difference between the time the man actually takes on the job and his allowance is divided up into agreed proportions between himself and the employer, the employee shall receive an addition of 33% on his day rate. Under the Halsey System, the time the employee saves is allocated as to one-third to himself and two-thirds to the employer Thus if a task had a time allowance of 50 hours and it was completed in 25 hours, of the 25 hours saved, the workman would receive a bonus of 8⅓ hours on his pay.

4 **Weir Bonus System.** This method differs from the Halsey System only in the fact that the time saved is allocated as to 50% to the man and 50% to the employer. Thus under the task enumerated above, the man would receive a bonus of 12½ hours instead of 8⅓ hours.

5. **Rowan System.** The method of distributio under this system differs from either of the foregoing methods and is as follows. The workman receives the same percentage increase in his pay as the time he saves bears to the time allowed. Thus, in the example given, the time saved—25 hours—equals 50% of the time allowed, and he would therefore in this case receive a bonus of 50% on his wages.

6. **Gantt System.** Under this system, a definite standard time is allocated to each job, and if the task is accomplished in or under the specified time an agreed percentage—usually 20%—is added to his pay. If he exceeds the time allowance, he is paid only his standard rate of wages but there is no question of him going into debt to the firm.

By way of illustration, the following example as to the Gross Wages Cost of a given job under the various systems should be noted. It is based on the following data :

Time Allowance 75 hours, Standard Rate 1/- hour, Equivalent Piecework Price £3, Standard Time—Gantt Method—50 hours.

	HOURS.																	
Time Allowed ..	75			75			75			75			75			75		
„ Taken	70			60			50			40			30			20		
„ Saved	5			15			25			35			45			55		
Bonus Payable.																		
Halsey System	1⅔			5			8⅓			11⅔			15			18⅓		
Weir „ ...	2½			7½			12½			17½			22½			27½		
Rowan „ ...	4⅓			12			16⅔			18⅓			18			14⅔		
Gantt „ ...	—			—			10			8			6			4		
Gross Wages Cost.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d	£	s.	d.
Piecework	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0	3	0	0
Halsey System ..	3	11	8	3	5	0	2	18	8	2	11	8	2	5	0	1	18	4
Weir „	3	12	6	3	7	6	3	2	6	2	17	6	2	12	6	2	7	6
Rowan „	3	14	8	3	12	0	3	6	8	2	18	8	2	8	0	1	14	8
Gantt „ ...	3	10	0	3	0	0	3	0	0	2	8	0	1	16	0	1	4	0

SYSTEMS COMPARED.

It will be seen from the foregoing figures that under the Halsey and Weir Systems, the bonus earnings increase regularly with the increase in the time saved. At the same time this is coincident with a decrease in the Gross Wages Cost. Under the Rowan System the worker receives a larger bonus for the reduction he is likely to make on the time allowed up to 50%, and therefrom it tends to recede, although of course any bonus paid will be earned in a less

number of hours. For example, if he completes this particular task in 30 hours he receives in wages 48/- or say 1/7 per hour, whilst if he still further increases his output and completes it in 20 hours he receives 34/8 or approximately 1/9 per hour. From the cost point of view the Rowan System undoubtedly safeguards the employer against inaccurate allowance setting, as the workman cannot possibly earn double time. This is certainly not so under the Weir System as the table shews.

The Gautt System would certainly seem the most economical from the cost outlook, although there is obviously the query as to whether the average workman would consider it worth while to give of his best for a comparatively small bonus.

There is one aspect of all Bonus Systems when compared with Piecework that requires consideration and which relates to the work of the Estimator. Consider for a moment a task which is estimated to take 6 hours for a man rated at 1/- per hour and working under the Weir System. For the man to earn his time plus one-third bonus, he would be given an allowance of 10 hours, a corresponding piecework price being 8/-. Obviously there is always the possibility of the man taking more than 6 hours, in fact he may take up to the hours, but although the costs in a factory working on piecework would be safeguarded to some extent by the price, a business where the bonus system prevails would always be at the mercy of anyone taking over the estimated time. Even though a 10 hours allowance be put into the shops, it will be appreciated that the Estimator cannot put this figure in his quotations or he will be hopelessly out of the running for the obtaining of orders. In other words he would start with a handicap of 25% in his estimated labour costs. This may appear to be taking a somewhat pessimistic view but the danger is always present. In conclusion, whilst no brief is held for any of the particular methods outlined herein, the fluctuations in costs as revealed by the table would certainly seem to merit serious consideration.

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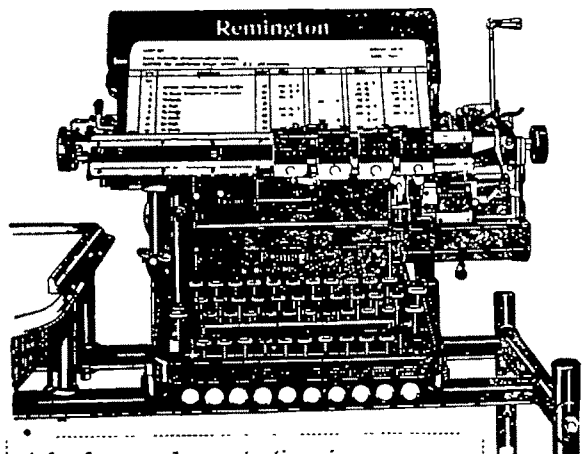

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The Control of Stock Purchasing.

How to Determine the Buyer's Allocation.

By RUSSELL B. HOBSON.

The everchanging character of public taste, and the resultant necessity of avoiding the accumulation of unsaleable goods presents a constantly recurring problem. A practical contribution to the question is provided by Mr. Hobson.

ONE of the first principles of efficient retail trading is that the purchasing of stock must be closely related to the sale of stock. By this I mean that the amount of money expended in buying fresh stock must approximate, as nearly as possible, the value of the anticipated sales over the same period. Unless the principle is carefully observed confusion is sure to arise, for if a close relation is not maintained the business will inevitably become overstocked or understocked—both very upsetting and sometimes dangerous conditions.

It is therefore necessary to have some system whereby the amount of money to be spent on new stock—in other words, the buyer's allocation—may be determined; and in discussing this problem one has to divide the various retail trades into two classes: those whose sales remain steady throughout the year (standard trades) and those whose sales fluctuate according to specific trading conditions (seasonal trades). Ironmongery, for instance, may be called a standard trade, for there is a constant demand for ironmongery throughout the year; but, on the other hand, the sales of motor-cycling and bicycling goods drop off in winter, the demand for wireless goods slackens in summer, and sporting goods are purely seasonal.

Thus it is obvious that, while standard ironmongery goods may be purchased in the same or increasing quantities during the whole twelve months, the purchase of wireless goods, sports goods, motor-cycling and bicycling goods, and so on, must be governed by the seasonal conditions. That, I think, is obvious.

AN UNWISE SYSTEM.

Consequently, the question arises: How should the amount of stock a business should carry be determined, and how should the buyer's allocation be fixed? Far too frequently retailers attempt to solve the problem by consulting the records of purchases and sales of previous years, finding their answer from these figures. I do not think, however, that this is a system that should be followed. In the first place, this system does not take into account any progress or otherwise the business may have made; and, secondly, it presumes that the same economic conditions still prevail. It is therefore liable to yield misleading results. Which brings me to my subject.

The amount of stock to be held over a stated period, and the monthly purchasing figure are both determined by the rate of turnover, which—as I have said before—is firstly a purchasing proposition and secondly a selling one. Clearly, therefore, the first thing to be done is to find out the rate and the amount of the turnover, which should be done by the method I described in a previous article. This having been done, the matter resolves into a simple mathematical calculation.

THE ELEMENTARY PRINCIPLES.

For the sake of clarity, let us reduce the matter to its elementary principles and study a wholly imaginary business. Let us suppose that the stock of this business turns completely over four times a year, and that the value of the turnover for July, August, and September was £3,000, twenty-five per cent. of which represented gross profit. The value of the monthly turnover, therefore, was £1,000. The gross profit from this would be £250, leaving a sum of £750, the value of the stock sold. It is on this £750 that the monthly purchasing figure should be based.

Provided that sales have maintained the average and that there is a likelihood of them increasing, this figure may be slightly increased, say by one-half per cent. Thus, the monthly purchasing figure for the months of October, November, and December will be £768 15s. If sales during these three months prove that the extra one-half per cent. was justified, then for the next three months one-half per cent. may be added to the £768 15s.

On the other hand, if sales had not proved the increase justified, the monthly purchasing figure may be reduced to the original £750 for the next three months.

It may be found, of course, that sales during July, August, and September have decreased and that the business is overstocked. Under these circumstances one-half per cent. should be *deducted* from the £750 for October and one-quarter per cent. for November. Then, if sales have increased and the overstock been cleared, the original £750 may be returned to in December.

SEASONAL TRADES.

The obvious conclusion to be drawn from the above is that the method, whilst being applicable to standard trades, cannot be applied to wireless, motor-cycle and bicycle business which are governed by the seasonal demand, and this is perfectly true. It cannot be absolutely applied, too, to the ironmongery business which also deals in these goods, although in both cases the principle remains the same.

The retailer in wireless goods, for instance, knows just about when he may expect sales to drop off and when they will improve again. He can calculate that they will drop off during May and will remain more or less stagnant until September, when the London wireless exhibition reawakens interest in matters wireless. His course of procedure, therefore, is simple. He must purchase lightly in March and April, and confine his purchases during May, June, July, and August to standard requirements; then, during September, he purchases stock up to the amount of business he was doing during February and March. From September to March he follows the method described above. These remarks also apply to dealers in motor-cycle, bicycle, and sports goods.

A POINT FOR THE RETAILER TO DECIDE.

There is one other point which under certain circumstances might have an important bearing on the matter. In some cases it may be considered advisable to purchase certain lines in quantities so large that the discount more than compensates for the loss of interest or immediate turnover on the money locked up. Business under these conditions becomes a mathematical problem.

If it costs three-and-a-half per cent. to borrow or withdraw money from the bank with which to purchase goods which sell at eight per cent. net profit, then obviously it is going to pay to be overstocked for a short period. On the other hand, if the goods so purchased only yield a net profit of three per cent., the money is being locked up at a loss in interest of one-half per cent.; and even if the goods sell at four per cent. profit there is no additional gain through the overstocking—although there is the additional risk of the goods so bought becoming obsolete.

This is a matter on which every retailer must decide for himself. The practice, however, should under no consideration be indulged in, for to be continually overstocked is bound to result in ultimate financial loss.

In conclusion, it must be borne in mind that the figures used in this article are entirely imaginary, and have only been given as examples on which to work. But, I hope, the inference is clear. The stock a business should hold is determined solely by the rate of turnover, which also determines the monthly purchasing figure—the means whereby the relation between purchases and sales is maintained.

LIVING IN THE PAST.

"NO man is to be pitied except the one whose Future lies behind and whose Past is constantly in front of him."

The whole philosophy of life is summed up in those words of Elbert Hubbard. So long as a man has the courage to face one more day, so long will he be a factor in the race for material success. The man whose future lies behind is mocked by Fate, a plaything in the hands of gods and men. He whose past looms constantly in front of him, who lives in retrospect, has cheated the boatman of the Styx and encumbers the machinery of this world.

To live is to be up and doing to-day, not to be counting on the things that were, but to figure on the things that are and will be, not to say that to-day is not so good as yesterday, but to declare that to-morrow will be the best day the universe has ever seen.

And to-morrow is always a better day than to-day. We shall all be farther along the road, we shall all know more, feel more, approach a little closer the goal which is yet hidden.

The man acclaimed as successful never feels his spirits flag, never lacks the courage to face another day, *never looks backward except to profit by his experiences.*

Business Opportunities in Argentina.

By GERALD R. DENNY.

Part I.

Great Britain's share of world trade is less to-day than in 1913. Our exports to Europe in 1925 were less than in 1923, notwithstanding a considerable expansion in the volume of European Trade. The bias of Argentina towards British manners and British products is an asset which British trading houses cannot afford to neglect, and provides opportunity to restore the economic balance in our favour. This article is of interest to staffs no less than principals, for it is by overseas trade that we live chiefly, and only by educated minds directed into channels of intellegent action by all, can we hope to maintain our position.—EDITOR.

THE Argentine Republic, with an area of nearly two million square miles, and a population of nearly ten million (of whom two million are concentrated in the Capital, Buenos Aires) provides at the present time a highly important field for British manufacturers who are seeking new markets overseas.

Since the signing of the Treaty of Amity, Commerce and Navigation, one hundred years ago, between Great Britain and the United Provinces of Rio de la Plata, the most cordial relationship has existed between the two countries, and something like £500,000,000 of British capital has been invested in the Republic. British prestige and influence have never stood higher than they do to-day, and there is no doubt that the visit of the Prince of Wales, last year, did much still further to increase the esteem in which this country is held.

PROSPECTS FOR BRITISH TRADE.

The future outlook for British trade in this very wealthy market is distinctly promising. The Government is stable and progressive, labour troubles have not assumed menacing proportions, and the days are long past when periodic revolutions came to paralyse the import trade. The immense undeveloped resources of the Republic, together with its ever-increasing population and rapidly extending transport facilities, make it certain that this market will become even more valuable in the future.

It would, however, be idle to pretend that business conditions, at the present time, are as satisfactory as they ought to be, and as they have been in the past. Argentina has not been exempt from the world-wide trade dislocation consequent upon the war. The Republic depends for its prosperity upon the satisfactory disposal of its exports of meat, grain, wool, &c., and it has inevitably been affected by the depleted purchasing power of European countries.

DIFFICULTIES.

Almost all British manufacturers since the war have been adversely affected in this, as in all Latin-American markets, by a number of factors over which they have little control. Chief among these may be mentioned the difficulty of quoting a competitive price against countries with depreciated currencies and lower costs of production. Another important factor, as affecting delivery, is the closer proximity to this market of Great Britain's principal competitor in most lines—the United States.

There are other factors adversely affecting the British manufacturer, over which he has complete control, if he cares to exercise it. These factors will be dealt with in detail, and without reserve, in a subsequent article.

ARGENTINE GOODWILL TOWARD BRITAIN.

Only one who, like the writer, has lived for a number of years in Buenos Aires, can realise how real and comprehensive the Argentine bias towards British manners and British products really is, and what it means in good will to British manufacturers contemplating entry to the market. That it exists is amply proved by the fact that it is a common practice among local manufacturers in Buenos Aires to sell their products under fictitious " marks " to make it appear that their goods have emanated from Great Britain.

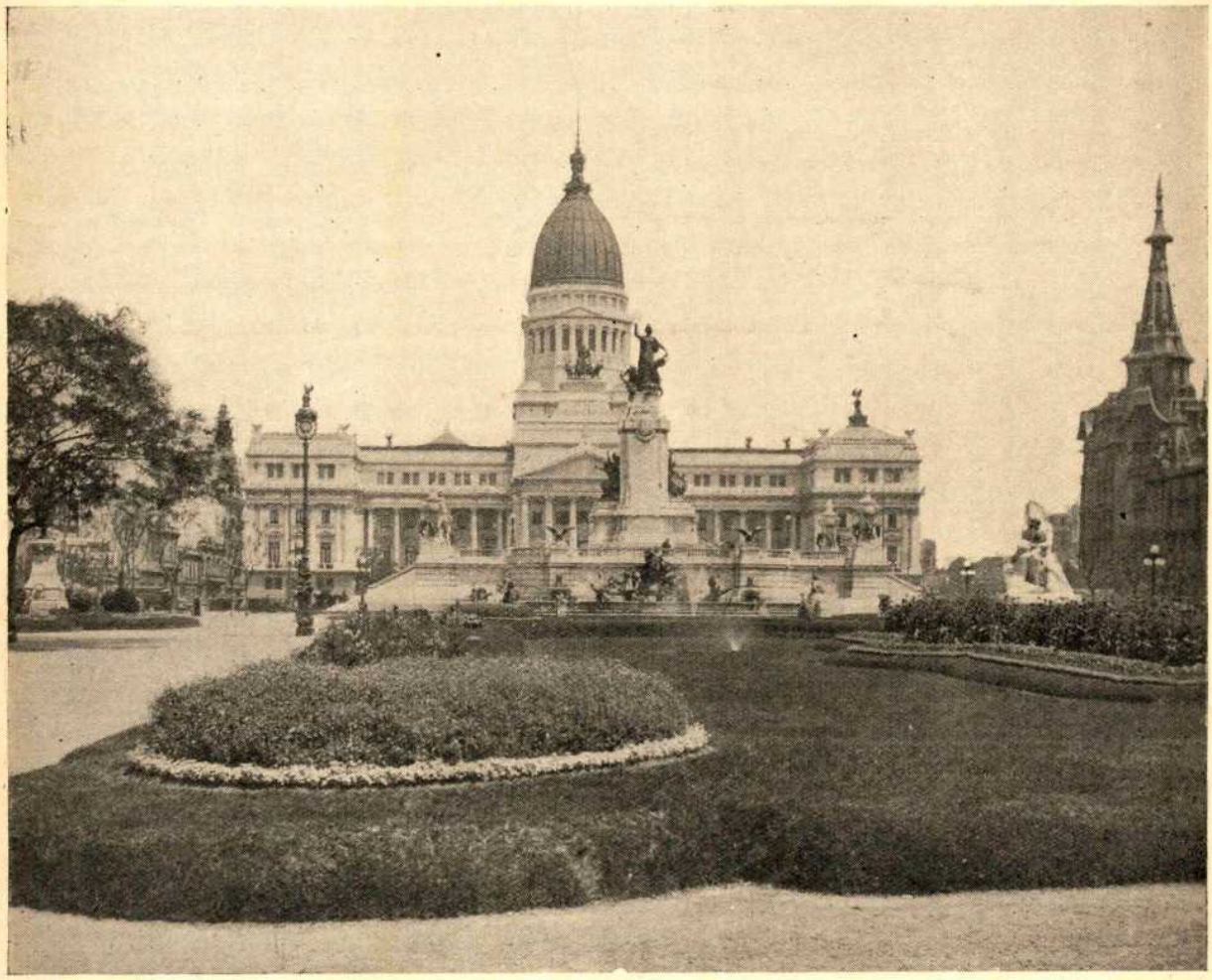
Nevertheless, it must be stated quite frankly, and ought to be so stated, that British goods are not going to sell themselves merely because they *are* British. It must be remembered that Argentina is a highly competitive market calling for a most careful study of local conditions. It has always been a market of extravagant consumption, and this fact has inevitably attracted the attention of almost every exporting country in the world.

SCIENTIFIC SALES METHODS.

The old haphazard methods of selling, in this market, are long past, and the British manufacturer first entering it must realise that his goods are not going to establish themselves solely by virtue of their British origin; they must be introduced and marketed in accordance with the most up-to-date and efficient selling methods—more especially when a price disadvantage has to be overcome. How best to accomplish this will be described later.

vanced money to assist the country's development.

It is not too much to say that Argentina's prosperity rests chiefly upon the excellent railway system that has been brought into being by British enterprise. Nearly all the railways are British owned and managed, and capitalised by British investors. Without these railways, Argentina's natural products, by the export of which she has grown prosperous, could never have been handled.



The famous Congress Building and Plaza Congresso, Buenos Aires. (By courtesy of "Latin American World").

EFFECTS OF BRITISH INVESTMENTS.

The extent to which British capital has contributed to the phenomenal rise of Argentina cannot be overestimated. In the early days, when loans to and capital investments in a small and struggling South American state carried with them a distinct air of speculation, the City of London took its courage in both hands and ad-

REFLECTIONS OF HOME.

The principal tramway system in Buenos Aires is, also, British, and the Company working it has constructed an excellent underground railway—the only one in the whole of South America. There are British banks, insurance companies, shops (e.g., Harrods and Mappin & Webb), clubs, restaurants, etc. And English

is spoken to a remarkable extent and in the most unlikely quarters.

As these articles are intended, primarily, to be of interest and utility to British exporters to the market, on the one hand, and to serve as an indication of the opportunities for the investment of British capital on the other, the country's exports will be touched upon as briefly as possible.

EXPORTS.

The main exports from Argentina are chilled meat, grain, and wool.

As a cattle producing country, Argentina, unquestionably, is first in the world. A given area pasture land in this Republic yields more and better beef than land under similar conditions of management in any other country. The world demand for frozen beef from this market is rapidly increasing, and it is estimated that the demand from the continent of Europe has increased many-fold during the past few years.

The principal three grain-growing provinces of Argentina are Buenos Aires, Santa Fé, and Cordoba. In these provinces it is quite common to see fields of standing wheat some thousands of acres in extent. By far the largest crop is wheat, with maize as a bad second, and oats occupying third place. The crop of barley and rye is, relatively, negligible.

INDUSTRIES.

The industries of Argentina are rapidly on the increase and, though they have not, as yet, assumed sufficient proportions seriously to incommode the British exporter, they will, in the future, constitute a factor seriously to be taken into account.

The display of nationally made products exhibited at the first Argentina Industrial Exhibition, two years ago, demonstrated beyond all doubt that local manufacturers have not been backward in taking advantage of the opportunity presented to them by the shortage of imported goods during the war.

Nevertheless, it must be remembered that although a rather imposing array of local manufactures was gathered together, the actual number of firms in each branch of trade was relatively small, with the exception of boot and shoe manufacturers and hosiery-makers, whose output is very considerable and in great local demand.

SHOES AND LOCAL KNOWLEDGE.

The success of the shoe manufacturers is, without doubt, largely due to the fact that they have a better appreciation of local conditions and requirements. Argentina is a " fine weather " country, and throughout the greater part of the year, countless shoes may be seen in the streets which, in England, would be considered suitable only for the ball-room.

The exportation of shoes from England which, from the point of view of the Argentine women, are heavy, unwieldy, and devoid of artistic shape, is a waste of time and money. LA SENORA and SENORITA, who possess a pretty taste in footwear, will not tolerate the shoe imposed upon their British sister by the variable climate in which she lives.

Furthermore, there is at least one case on record of a British firm unloading on the Argentine market a surplus stock of ladies' footwear, regardless of the fact that Argentine women, as a rule, possess a considerably broader foot than British women and, therefore, require specially catering for. So far, British manufacturers have not, apparently, thought it worth while to meet this special demand.

STABILITY OF TRADING CONDITIONS.

It seems almost incredible, at this time of the day, that doubts should be expressed, quite frequently, in otherwise well-imformed quarters, as to the " safety " of dealing with Argentina or, indeed, any other Latin-American Republic.

The writer was once told by a Bradford manufacturer, who claimed to have had experience of South American markets, that " it wasn't safe to do business with those johnnies ! " Cross-examination elicited the information that he had once had a single transaction with a South American firm and had failed to secure payment for the goods supplied.

Upon this experience of South American trade his rather sweeping assertion was founded. Furthermore, it transpired that he had forwarded the goods to a firm entirely unknown to him and had neglected to take the elementary precaution of prosecuting inquiries as to its bona fides and local standing—an error of which he would have been absolutely incapable in dealing with his home trade.

BUSINESS " SENSE."

Needless to say, it is as safe to transact business with Argentina as with any other market provided of course, that ordinary business precautions are taken. Buenos Aires may have rather more than its quota of " black sheep," but a long series of comparatively recent " long firm " prosecutions in England, involving serious losses to the textile trade, suggests that Latin-American countries have not, by any means, established a monopoly in commercial malpractice.

The truth is that business in Argentina is conducted upon a thoroughly sound basis. Banking facilities are both varied and efficient, and are characterised by a greater elasticity than obtains in this country. It is quite common for personal advances to be made against produce to be shipped from the country, and for forward ex-

change credits to be granted without any guarantee except the reputation for commercial probity of the firm desirous of buying or selling on future terms.

INFORMATION SERVICE.

The furnishing of status reports is an important feature of local banking service, and is indispensable to every British firm exporting to Argentina. The banks have a highly efficient and comprehensive Inquiry system — a vital necessity in a cosmopolitan market—and there is no reason why a manufacturer on this side should take undue risks by shipping his goods to untrustworthy buyers.

Insurance and despatch of merchandise ashore, afloat, or on rail, can be effected all over the Republic at short notice and on fixed tariff terms.

INTEGRITY.

Argentine commercial procedure is, in fact, up-to-date and scrupulously straightforward, and the men who control it and act as its bulwark, spare no endeavour to ensure that its integrity shall be maintained.

The manufacturer who wishes to enter this market need consider only the Capital, Buenos Aires, which acts as a distributing centre for the whole Republic in respect of both imports and exports. This great city (the second largest Latin city in the world) forms an area of immense consumption and lives on the natural products of the rest of the country. As consumer and distributor, it absorbs practically the whole of the country's imports.

The Law Courts and Plaza Lavalle, Buenos Aires. (By courtesy of "Latin American World").

ECONOMY OF CENTRALISATION.

This peculiarity is of considerable advantage to the British exporter. It limits his study of the market to one well-defined centre; it signifies larger individual orders; and it permits economies to be effected in the way of travelling expenses.

Relatively, there is less business done with Argentina through the merchant shippers than is the case with the other Republics; and this, no doubt, is due to the simplification of trading permitted by this concentration of business in the

Capital. Direct trading is on the increase, and the number of representatives on the spot, maintained by British exporters, grows every year.

IMPORTS BY RETAILERS.

It is quite common for retailers in Buenos Aires to import on their own account and sell both retail to the general public and wholesale to other local shops and provincial stores. Practically all the general stores in the provincial towns buy wholesale from the large Buenos Aires retailers—except where certain goods are brought to their notice by the travelling representatives of British firms who carry stock in the Capital.

IMPORTANCE OF ADVERTISING.

Sometimes their attention is attracted by stray advertisements in media covering the provinces —advertisements inserted by British firms taking a spasmodic interest in publicity. Apart from this phenomenon, and the occasional visit of a travelling representative, they have little means of knowing what are the latest goods in the market. Usually, they order the lines and " marks " they saw when last they made a visit to Buenos Aires—perhaps a year or two previously.

The territory to be visited is so vast that it is an economic impossibility adequately to cover the ground with travelling salesmen. The only alternative appears to lie in the direction of " printed salesmanship."

To be quite fair, however, it must be admitted that there is a real difficulty in placing effective advertisements so as to reach provincial retailers in all trades.

OPENING FOR TRADE JOURNALS.

Although Argentina is by no means backward where newspaper and periodical production is concerned—the country possesses an incredible number of publications of a general nature—it is a curious fact that, as yet, the trade periodical, as we know it in this country, has not yet arrived.

When it does, the publishing firm first in the field will make a comfortable fortune, and British manufacturers will have the opportunity of placing their products before every retailer, in their own particular line, in the Republic, without depending solely upon the energy of an established firm of importers who may, or may not push the manufacturer's wares, who may indeed already carry all the agencies they can conveniently handle.

VALUE OF CONCENTRATION.

It is obvious that a product new to the market cannot, if it is to be successfully established, be treated as a " side line." It calls for the undivided energy and attention of some capable individual whose sole aim is to sell that product and popularise it in the market.

It has been pointed out by an authority, the Commercial Secretary to the Legation in Buenos Aires, that many of the best known importing firms already carry all the business they can handle, and that, if their serious interest is to be attracted, they must be offered highly advantageous terms.

Quite often, in these days of soaring costs of production, it is not economically possible to offer the terms necessary for the promulgation of any great volume of business. When this is the case, alternative methods must be adopted.

DETAILS FOR DISCUSSION.

In my next article, I will outline the most satisfactory alternative methods of trading, based upon the experience of successful exporters to the market. Other important matters that will be discussed include trade mark registration, the securing of effective translation for publicity matter, nature and extent of necessary advertising, adequate study of the market, and its requirements, methods of competitors, &c. Existing opportunities for the investment of British capital will, also, be discussed at length

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COLUMBIA RIBBON & CARBON MFG CO LONDON

The BEST on TEST.

From Dealers and Stationers, or

COLUMBIA RIBBON & CARBON MANUFACTURING CO., Ltd.,

Classic House, 22 Bush Lane, London, E.C.4.

Overdue Accounts.

By ERIC L. FIELD, A.C.I.S.

THE PROBLEM.

WHILE the Sales Manager points with pride to the steadily rising sales figures, the Accountant produces his cash statement and a list of payments to be made. Money must be obtained from somewhere; why not hurry up dilatory debtors? This article is an outline of a system adopted for this purpose.

There are probably a great number of business men who are unaware that their accounts department do not finish sending out their monthly statements until towards the end of each month, and yet it should be obvious that payments will not be prompt unless statements are sent out at the beginning of the month.

The early bird catches the worm, and the accounts which are received first are more likely to be paid first. Again, statements are often received too late to be checked and submitted for payment to a monthly director's meeting and are held over for a month. This remark particularly applies to dealings with municipal and similar bodies where an account has to be checked and certified by various officials and committees before it is passed for payment.

THE REMINDER.

The period allowed for payment varies, of course, with the nature of the business and the class of customer, but, generally speaking, it is reasonable to allow up to the end of the month following delivery of the goods before an account can be said to be overdue. Any accounts not paid within this time should be accompanied, when the next statement is despatched, by a short letter drawing attention to the fact that the account is overdue.

A letter will be found to be more effective than the various devices, such as the use of a rubber stamp or an adhesive slip, which are often employed for this purpose. It should be addressed to the proprietor of the business, or the official responsible for drawing cheques if the concern is a company.

Such a letter can very well be turned out on the office duplicator; in fact, at this stage, it is as well that the customer should get the impression that he is being dealt with in the same way as others, and not singled out for special treatment.

Some people never pay until they receive a reminder, but would nevertheless be annoyed if it was suggested that they cannot or will not pay the account, and the letter should therefore be merely a courteous reminder.

THE FOLLOW UP.

After, say, a fortnight has elapsed from the date the reminders were sent out, the ledger clerks should be instructed to bring the account cards of all defaulters to the debts clerk, who should be a man of considerable experience and possess plenty of tact.

He should be provided with an office "tickler," i.e , a card index drawer containing guide cards numbered from 1 to 31 (one for each day of the month), and behind these a card for each month. He should also have a supply of plain cards, and taking one for each debtor, head it with the name and address, the ledger card number, and the amount due. He should also write on the card any particulars he is able to obtain from travellers as to the state of the business.

A special letter should then be written to each defaulter, bearing in mind his status, the amount outstanding, previous record, orders outstanding, limit of credit, etc. The date of the letter should be inserted on the card, which should then be placed in the " tickler " behind the guide card corresponding to the latest day by which a reply should be received, e.g., if the letter is written on the 10th of the month the card should be placed behind the guide card " 20." When the 20th arrives, the cards for that day should be taken out, and if a satisfactory answer has not been received, a further and stronger letter should be sent and the card replaced in the drawer.

No system can *make* a debtor pay, but the above method ensures that overdue accounts receive due attention.

Messrs. O. Verdue & Co. *C/40/9*
Vulcan Works,
Wigan.

£100 0s. 11d. Brown says they have big contract in hand.

Wrote 10/6/26.
„ 20/6 26.

Cheque promised by 30/6/26.

The "Tickler" Card.

Do You Want to be a Chief ?

By MAX RITTENBERG.

To have "the goods" and be unable to sell them is a handicap which is often the outcome of an attitude of mind. How to sell your services, is often a hurdle at which many a good man falls. Mr. Rittenberg's very definite advice should prove invaluable to such.

SALES policy and methods, and advertising policy and methods, occupy a large share of the time and thought of any principal or working director of a progressive firm.

He has to be a "salesman" at rock-bottom.

Lord Leverhulme once said: "Anyone can boil and make soap, but it takes brains to sell it!" He was himself a first-class salesman and advertiser, not merely a manufacturer, and even in his old age, took a very active interest in the selling and advertising sides of his many companies.

To-day, selling is becoming every day more and more important in business; the day has clearly gone when it was sufficient to produce a first-class article, and "let Nature take its course" in the obtaining of distribution.

From this it follows that any young man who aims to become a director of an existing business, or to be eventually a principal in a business of his own, must realise the importance of "being a salesman," and *get it into his system early.*

Now, what does it mean, this phrase "being a salesman"?

EVERYONE HAS SOMETHING TO SELL.

A young fellow came to me, with an introduction from a friend, asking for a post with me as an advertising man. It was possible for me to extend staff, and liking the looks of him in general, I asked him what he could do. He said he could do anything in an advertising agency.

"Can you, for instance, devise lay-outs?" I asked him. "Could you take this lay-out you see here on my desk and improve on it?" His reply suggested that this sort of thing was so easy he could do it standing on his head. So, as an actual test of his ability, I let him take it away to improve on and return the next day.

He never did. He left a hurried message in the office that he had been too busy on other work, and would have to leave it over until later.

By chance I met him in the office of my friend who had introduced him, and under my friend's pointed cross-examination he confessed that the "too busy" message had been a lie, and that he found himself unable to improve on the lay-out, the very work he had said would be so easy for him.

Now, it is perfectly clear to you that this young fellow was offering to sell something he hadn't got—i.e., specialised abilities in a particular direction in the advertising field. And surely the very first element in salesmanship is to realise what it is one has got which is saleable!

Lots of people are quite vague on this point. They want a job, a post, a billet, with a good salary; but they have never clearly thought out what it is they are offering in exchange for that salary, together with its convenience and comforts—the impressive office desk and chair, a stenographer and other office help at call, and the telephone and heating and lighting and all the other incidental expenses which make it possible for them to sit at the desk and spend their office time in comfort and convenience.

Everyone has something to sell—SOMETHING which can be of service to others and therefore be worthy of reward. But, very few have analysed out just what it is they can best offer.

SOME HAVE "THE GOODS," BUT DO NOT KNOW HOW TO SELL THEM.

Another class of men do possess a specialised ability worthy of substantial reward, but do not know the right way to market it. They err in diffidence and in lack of self-possession, just as the young fellow quoted above erred in excess of self-possession and bluff which could not be made good.

While salesmanship can undoubtedly be taught, and while there are excellent schools of salesmanship which do unquestionably train men to become good salesmen, and though I am myself a strong advocate of such training, yet I do realise that there are some men with highly specialised creative abilities who would never be able to market them satisfactorily, because they have a positive, innate distaste for the selling end of life. Anyone who is really in this class will have to associate himself in a very friendly way with someone who possesses the selling ability strongly and can "team up with him."

One sees this in a partnership business where one partner confines himself to the producing and creative side, and the other partner is an aggressive and capable salesman. The former

man alone will never build up the business. He is dependent on having the other type of mind closely associated with him, and probably he has realised long before that such a partnership is essential for the running of a successful business or professional practice.

I once met two such men in the publishing business. One of the partners was a most friendly, likeable man who did all the interviewing of writers, entertaining them in a social way, forming friendships at clubs and golf courses, and looking after the publicity end of the business. The other man sat in a back office, never saw authors until it came to the signing of an agreement; and conducted very capably the production and financial end of that joint publishing business.

The partner in the open was essentially a salesman; the other man was essentially a producer.

CAN SALESMANSHIP BE PRACTISED?

Yes, and there are clearly three ways in which it can be done:—

1. By training with a college of salesmanship, as mentioned above.
2. By asking one's firm to let one have a trial at selling their goods "on the road," or within the city limits.
3. Most important of all, and most practical for any man whatever his business position may be, is to "sell" his personality and his ideas to all and sundry whom he meets casually in everyday life.

Such a man has a smile and a cheery word for a 'bus conductor, a railway ticket collector, an office boy. He joins some society, or local sports club, or social club, or trade organisation; and he aims to take part in the discussions and debates, to express and ventilate his ideas, to be asked on to a committee, to be regarded as a "moving spirit" in that society instead of merely one who sits back and lets others do the work, the organising, the planning, the public speaking.

When he is invited to a social evening, he doesn't lounge back in an armchair and lazily expect to be entertained by his host and the other guests. He deliberately sets himself to do his bit in entertaining the others and making the evening a success—not of course in a conceited or argumentative or limelight way, but in a spirit which makes others say of him when they are exchanging opinions privately: "Smith is a likeable young fellow; he certainly helps to keep the ball rolling."

Practising such actions is a most distinct help to becoming a "salesman." One is really "selling" one's personality to those around

TIRED OF ROUTINE WORK at a small wage?

Then why not be a Salesman?

Mr WALLACE ATTWOOD
F.R.E.S., M.I.P.E., &c.
Britain's greatest teacher of Salesmanship.

The sure way out of the rut is to become a travelling Salesman. Train in your spare time, by post, under Wallace Attwood, who is unquestionably Britain's greatest teacher of Salesmanship. He has a positive genius for teaching and training men for "the road."

He has taken thousands of young men without experience "on the road"—clerks, mechanics, shop assistants and men in "dead end" jobs—and lifted them out of routine jobs, and placed them in good posts with progressive firms as Travelling Salesmen. Many of them are now earning their £500, £600, £800 and £1,000 a year *Ask to see portraits, names, addresses, and earnings, in typical cases.*

Wallace Attwood drives Salesmanship into your head, into your bones and into your spirit. He introduces you, when trained, to firms of repute for a good post. He trains you to sell your own services at the highest figure. He helps you in the most practical way during your first three weeks "on the road." No other College gives you such a personal, FRIENDLY service.

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3. Introduce you to firms of repute for a good post as travelling Salesman (**NOT** shop assistant).
4. Assist you during your first three weeks "on the road" by special instruction and personal advice (another unique feature of the MASTER COURSE).

If you have grit as well as ambition, write to me to-day for free book, "The Profession of Salesmanship"

—WALLACE ATTWOOD.

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(Dept. B.O.M.)
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'Phone Chancery 7526.

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ADDRESS

B O M

one; and incidentally, as in public speaking during a debate, one begins to realise from the attitude of the audience whether one's ideas are really as outstanding as one thinks them, and what it is that other people would like one to do or be in relation to their own affairs!

The man of abilities who is not a salesman is nearly always tongue-tied at a social gathering or at a public discussion, unless he be asked to speak on his own special technicalities. He couldn't make an after-dinner speech, say pleasant things about nothing, and move an audience to feel happy and united. He couldn't lead a casual group of people to accept his ideas on anything outside his own speciality.

APPLYING THIS TO THE ACTUAL SELLING OF GOODS AND SERVICES.

Now, the actual work of selling goods and services depends a great deal on pleasant manner and ability to get on friendly terms with strangers. The type of man who can make a pleasant after-dinner speech, or put an audience into good humour at a public discussion or trade gathering, is the man who in his business or profession finds it easy to sell.

Given goods approximately equal in appearance and price, and in active competition, the bulk of the sales will go to the man of whom people think, "Jim's a good fellow; let's give the business to him"

OTHER QUALITIES IN SALESMANSHIP.

There are other qualities in successful selling which arise out of this same habit of fitting oneself into other people's thoughts, moods and desires. To be specific, here is an actual case where a salesman landed an order for 100 million cigarettes against hot competition from three other rival salesmen.

All four were given samples of the same cigarette; were asked to match it as closely as possible, and submit counter-samples, prices and conditions of contract.

Three of the men were back within the next few days with their counter-samples, none of which were exactly like the original, and all were inferior in smoking quality. They tried to force the view that their own samples were better.

One of them, whose sample was nearest to the actual standard cigarette, and might possibly have been awarded the contract, was asked to show the manufacturing facilities of his firm. When the visit to the factory was actually made, any question of a sale vanished. This factory could not possibly produce 100 million cigarettes in the time of the contract. The salesman was endeavouring to sell something—i.e., manufacturing facilities— which his firm did not possess.

The fourth salesman, however, did not appear until a couple of weeks had elapsed. When he turned up, he said nothing; he silently offered his counter-samples, which were tested and found to be perfect. (Incidentally, this particular man never smoked himself—apparently a great handicap for a cigarette salesman, but really not vital for his job at all.)

He was then asked the price. The price was judged satisfactory. But still the buyer frowned with indecision, and the salesman, who had gone to great thought and trouble over this matter in endeavouring to fit himself into the buyer's situation, said smilingly—

"I think I know what's troubling you. You are saying to yourself that this counter-sample is all right, but how do you know that the bulk of the goods will be up to sample?"

The buyer said: "That is exactly so."

"And that," said the salesman, "is why I have been over two weeks in bringing you this counter sample. I have been chasing around to find a factory with sufficient financial standing and manufacturing facilities to get through your contract on time, to lay in a stock of tobacco at once of just the grades you want, and therefore to make sure that the whole of the 100 million will be fully up to sample and will be delivered on time. All these points will be guaranteed in the contract"

"The cigarette is right. The price is right. And behind that, the factory is right, as I will show and prove to you. You will never have a night's worry about this entire contract being fulfilled to your complete satisfaction."

That, in my opinion, was a flawless sale—because the salesman had made himself a partner in the buyer's wishes and needs.

Many important sales and big deals are consummated in just that same quiet way.

PERSISTENCY IN SELLING.

Quiet persistency is of course a big factor in all types of selling. Often a salesman has to go on plugging away for weeks or months with calls on a prospective buyer before he can get to see him, or before he can make any dint into his buying consciousness.

This applies particularly to staple, highly competitive lines, where the superiority of one article over another is very slight and the price differences are insignificant.

This same persistency, as well as the other essentials mentioned above, have to be reckoned with by every principal or director in his selling and advertising policy. He is carrying out on a large scale what he has previously done *personally* on a small scale—he is directing a force of salesmen, or a series of advertisements, or a

flock of postal publicity, to carry out in a widespread manner the lines of thought which he would himself utilise in a personal man-to-man sale of goods.

If he is not a salesman himself, has not practised salesmanship and deliberately trained himself along those lines, then he will most probably find that he cannot successfully direct a force of salesmen. Behind his back they will be saying to themselves: "He couldn't go out and sell the goods himself!" They will begin to impose on him with objections on the part of prospects, or excuses on their own part, which he cannot answer satisfactorily out of his own practical experience. They will not respect him as a salesman; they will not be working for him as an admitted Chief; they will just be earning their salaries and commissions, and probably giving as little as they can for what they receive.

THE ADVERTISING MIND.

When it comes to advertising policy and methods, it is just as important to know something of advertising essentials, and to have sound ideas on the subject, if a principal is to receive the most helpful collaboration from his advertising agent who actually carries out the work for him.

We advertising men have a definite respect and business liking for clients whom we recognise as judges of sound advertising, those who are not merely *faddists* about some aspect of the subject on which we know they are essentially amateurs.

I do not mean that the principal should himself be able to devise lay-outs, draw picures, or word text in a professional style. But he should have in himself the underlying sales policy and sales ideas which are to be embodied in those press advertisements or postal publicity.

And speaking from my own experience, I would say that a principal who is a good salesman is also a good originator and judge of advertising. Advertising is salesmanship in print. Every sound advertising man is essentially a Salesman. Just the same practice and training which will make a man into a capable salesman will help him to become a capable advertiser, even though the technicalities have to be handled by men who have devoted years to specialising in them.

The principal or director of a progressive firm has more and more, in these highly competitive times, to be at bedrock a salesman and an advertiser. Any young man who aims to be one or the other must begin early to acquire this essential element in business leadership.

HERBERT TERRY & SONS, LTD.,
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Works Canteens.

By E. N. SIMMONS.

The provision of Works Canteens is welfare work of the highest value, moral and economic. Initiation rests with the principals, but co-operation alone can make it a success. The subject is one of absorbing interest.—EDITOR.

A WORKS canteen is something more than a philanthropic institution. This article is intended to give details of how in one large works an establishment of this kind has been successfully organized; but as a preliminary it is essential to state briefly why a works canteen is worth while from the economic point of view. It is now fairly well established as a result of modern research that attention to the health and comfort of employees during the day is pustifiable from the purely materialistic point of view. It raises the productive capacity of each man, and improves his moral stamina. Where there is no canteen, the men usually bring their meals with them, and spend their dinner-hour sitting about the shops eating. Obviously, a workshop is not the right place in which to eat meals. Dirt, harmful dust, metallic particles, may come into dangerous contact with the food; the circumstances of the shop are generally uncomfortable when considered from the meal-taking aspect; and the absence of cheerfulness in the surroundings makes itself felt in the bearing of the men. It is not always possible for the workers to get cheap food outside the works gates, and even when it is, drink, gambling, and betting, are indulged in with bad results from the employer's point of view

VALUES.

The value of a works canteen is that it gives the men a tidy and clean room in which to take their meals; it is cheerful and bright; the men are away from the temptations of the streets; the food is eaten in comfort and without risk of contamination. A better meal is eaten, even if the sole purpose of the canteen is to warm up food brought by the men themselves, and not also to provide well-cooked meals at a low price.

In one large works, a canteen is in daily use by the workers, and has proved extremely successful It will be as well to describe the way in which the organization on which it is based was built up. When the suggestion that a canteen should be set up was first made, the Board of Directors consulted the works council, and asked it to obtain the views of the men. General opinion seemed in favour of the scheme, but more details were demanded. After these had been given, it was agreed that a sub-committee should be formed from the ranks of the council, its duties being to superintend the organization of the canteen, to arange for the supply of foodstuffs and materials, to fix prices, and to draw up any requisite rules and regulations. The committee as finally constituted comprised three managers of works departments, and three members of the employees' council, together with the two welfare officials, one male, the other female. The Board of Directors guaranteed to find the premises for the canteen, the staff, the crockery, implements, utensils, and the installation of heating and light. In making this offer, they stipulated expressly that their object was not purely philanthropic, and that they wished the canteen to be self-supporting so far as was possible in view of its objects, which were to supply good food at moderate prices, and to give the workers a decent, orderly room in which to spend their luncheon-hour. It was foreseen that the enterprise could not be made entirely self-supporting but it was suggested that every attempt should be made to make the prices for meals cover the cost of food as served.

THE GROWTH OF APPRECIATION

The formal opening of the canteen took place soon afterwards, and during the first four weeks meals for over five hundred men were served daily, on an average, in the canteen. As the months went by, and the reasonableness of the prices charged became evident, this number became larger, until eventually as many as 1,200 diners were provided for every day. The men appreciated the democratic organization of the canteen. Their authorized representatives were able to examine costs for themselves and ascertain definitely that no overcharges were being made. After the canteen had been in use for six months, a balance sheet prepared for consideration by the Board of Directors was found fully satisfactory. It is interesting to reproduce this, because it indicates exactly how much the institution cost the firm, after the building for it had been erected.

Expenditure.	£	s.	d.
Food, Tobacco, Confectionery, etc	9,430	17	10
Staff Wages	1,720	3	6
Coal	130	17	10
Coke	40	16	1
Gas	170	5	3
Total	£11,493	0	6

INCOME.	£	s.	d.
Receipts, May to October, inclusive	10,201	18	3½
Value of stock	990	16	11
Teas supplied	170	9	0
Total	£11,363	4	2½

From these figures, it will be observed that the canteen was very nearly self-supporting, a mere matter of £130 alone separating the two totals. At the same time, it must be borne in mind that the balance sheet us thus drawn up scarcely represented the economic character of the canteen's position, since no provision for depreciation of fixtures and crockery was made, and the period covered by it had been worked with an entirely new stock of utensils, implements, crockery, appliances, and so forth, all of which would infallibly deteriorate as time went on. However, at the end of some years of sucessfcul operation, the total yearly loss on the canteen was found to be, on an average, about £400, and when it is considered that over a thousand men were catered for daily, the result must be considered highly credible. Nevertheless, in reflecting upon this result, the generous behaviour of the Board of Directors must be taken in account. If the organizers of the canteen had had to allow in their prices for such items as rates, insurance, lighting, repairs, and so on, they would have had to charge more for the meals provided, and would thereby have lost many customers.

DEVELOPMENT AND CRITICISM.

The actual running of the canteen did not prove very difficult. In the beginning, every regular diner received a membership card, which gave him the right to use the canteen eating implements. He had to give up his card in return for the knife, fork, etc., and when he give these implements back at the end of the meal, his card was restored to him. Meals were not served unless the cards were presented, and cards could not be had without proper application to the canteen committee. Each man paid for his meal on ordering it, and his card accompanied the money.

This system worked well while the diners were scarce, but when they increased in number, it was found to take up too much time, and was abandoned. Loss of implements through theft proved so negligible that the elaborate system of card-exchange was not worth the time and trouble it cost.

Of course, the committee had to meet inevitable grumbles. Some of the men declared that meals ought to be supplied below cost price. It was pointed out, in answer, that this would be wrong: (1) because it was using shareholders' money for purposes that brought them no genuine advantage; (2) because it would practically amount to charity towards the men, with its demoralizing consequences; (3) because it would not be fair to workers in other industries, where canteens selling food below cost price could not be afforded.

DISAPPEARANCE OF COMPLAINTS.

It was also argued that fish should be supplied on Fridays to those who wished for it. The committee agreed to this, merely making it compulsory for those who desired it to indicate the fact to the cook on the previous day, so that the right number could be catered for. Without going into greater detail, it is enough to mention that complaints, after the first few weeks, were not considered unless made in writing, or made direct to a member of the committee, notices to this effect being posted up wherever desirable. The time of the committee was thus saved, since silly or childish complaints were no longer made.

A games fund was opened, to provide entertainment for them after the meals were over, and chess, draughts, ping-pong, and other games were added to the possessions of the canteen. For those who did not wish to play games, reading matter was provided. The Directors sent used illustrated magazines from time to time. Papers subscribed for by the firm were, when finished with, passed on to the canteen. Eventually, quite a reading-room was established, and was much appreciated by the men.

IMPROVING THE BALANCE SHEET.

Some genius found that the receipts of the canteen could be increased by letting the canteen in the evenings at a fee to other bodies, for whist-drives, concerts, etc. A steady income from this source was obtained, and the Board of Directors freely gave permission for the canteen to be used in this way. The money received was spent solely in reducing the yearly deficit, so that meals could continue to be supplied cheaply.

The canteen was often used for social events organized by the men themselves, e.g., lectures, bridge drives, plays, concerts, etc. Altogether, it has proved a great success in every respect. What is most important to remember is that this canteen belongs to a firm in the iron and steel industry, an industry proverbially less able to undertake welfare schemes possible to such industries as the chocolate and soap manufacturing. Its existence proves that so long as the organization of a works canteen is put on a sound financial and economic basis, it can be made very nearly self-supporting; and even if it does not quite succeed in being that, it does more than eliminate, by the advantages it brings, the slight deficit in its balance-sheet.

Realities of Reconstruction.

THE WORLD'S SUPER-OPTIMIST.

HENRY FORD ON THE PRESENT AND FUTURE.

By DAVID W. CADDICK.

The use of knowledge rather than its accumulation may well be the explanation of Mr. Ford's success. Ideas are valuable; translated into action they are invaluable.—EDITOR.

"TO-DAY and To-morrow" (Heinemann, 12s. 6d.), by Henry Ford, in collaboration with Samuel Crowther, is described as a continuation of "My Life and Work," by the same authors. Those who have read the previous work will know that Henry Ford, in addition to being the world's greatest industrial organiser, is one of its most original and effective thinkers. Optimism is natural enough to a man who can say: "On October 1st, 1908, we made the first of our present type of small cars. On June 4th, 1924, we made the ten millionth. Now, in 1926, we are in our thirteenth million" . . . "We have grown into a large industry, directly employing more than two hundred thousand men, not one of whom receives less than six dollars a day. Our dealers and service stations employ another two hundred thousand men." As materials have to be bought from other factories, "it is safe to say that two hundred thousand men are employed on our work in outside factories . . . which means that about three million men, women and children get their livings out of a single idea put into effect only eighteen years ago."

Such is the statistical record of Henry Ford's achievement, without mentioning the enormous gains to himself and family, and the contributions made in taxation. Now even in his own country, which is justly proud of him, manufacturers do not believe that his methods can be universally applied; they argue that many products do not lend themselves to absolute standardisation. Doubtless they are right, but the question of standardisation and its limits need not here trouble us. Ford's case was given in "My Life and Work," and has since been thoroughly discussed. Let us turn to other matters.

NEGLECTED OPPORTUNITIES.

Sir Ernest Benn, in his book, "The Confessions of a Capitalist," makes the important point that the influence of wide-spread education, first made possible by the Education Act of 1870, are only now beginning to be felt, at the end of the second generation. Business men are too prone to overlook this vital factor. We have gone on accumulating knowledge rather than using it. People talk about their rights and neglect their chances. Democratic formulæ have been deemed more important than technical and commercial efficiency. "For hundreds of years men have been talking about the lack of opportunity and the pressing need of dividing up things already in existence," writes Ford. "Yet each year has seen some new idea brought forth and developed, and with it a whole series of opportunities, until to-day we already have enough tested ideas which, put into practice, would take the world out of its sloughs and banish poverty by providing livings for all who will work."

Often I think that the main explanation of American prosperity is in their readiness to accept new ideas. Britain's attitude is, in this respect, lamentable. We are probably the least inquisitive of civilised nations, or, as the last Bishop Creighton once said, not only has the Englishman no ideas, but he hates an idea when he meets one. None of the leading Continental nations are quite so conservative. Or, returning to Ford, "There are always two kinds of people in the world—those who pioneer and those who plod. The plodders always attack the pioneers. They say that the pioneers have gobbled up all the opportunity, when, as a plain matter of fact, the plodders would have nowhere to plod had not the pioneers first cleared the way" . . . "Did you make your place, or did someone make it for you? Did you start the work you are in, or did someone else?" . . . "Now the fact is that a generation ago there were a thousand men to every opportunity, while to-day there are a thousand opportunities to every man."

While this may be wholly true of an underpopulated continent like America, it is much less so of Britain; but not if we regard the Empire as a unity, or at least take into consideration the undeveloped Dominions. "It is almost impossible to understand the rise of industry without recognising the former scarcity of opportunity."

INDUSTRIAL FALLACIES.

Mr. J. L. Garvin, whose long editorials in *The Observer* frequently indicate the trend of modern civilisation, has repeatedly stated that the industrial issue has become Karl Mariz versus Henry Ford; in other words, State Socialism or scope for individualism enterprises on a big scale. On this question we have not yet made up our minds, though the Coal Strike may prove to be a blessing in disguise if it forces people to realise that political interference has been carried too far; that there is nothing more that the State can do for labour; that instead of imposing further legislation, the actual need is the reduction of existing burdens. State activity will be obliged to take this form. Having interfered too much in imposing handicaps, it will find it necessary to remove part of them. Labour has nothing to hope for from a Socialist administration; the programme promulgated thirty or forty years past has been accomplished. Nor need the nation fear a Labour majority; it cannot be harmful; politically there is nothing to be done. Capitalism is not too strong in Britain; it is too weak. Employers, on the whole, do not exploit; they do not get a square deal; therefore they are unable to put forward their best endeavours, and we have the authority of Henry Ford for saying that even when employers were actuated by selfish motives benefits often accrued to society. "The men of larger vision naturally bested the others. Their methods were sometimes immoral, but it was not their immoral methods that accounted for their success—it was their larger vision of needs, and ways and means to fulfil them . . . To attribute success to dishonesty is a common fallacy. We hear of men 'too honest to succeed.' That may be a comforting reflection to them, but it is never the reason for their failure. Dishonest men do sometimes succeed. But only when they give a service which exceeds their dishonesty."

SPEEDING-UP.

So much for the employing class. Turning to the employed, Henry Ford again denies the alleged strain of present-day civilisation. "Is twenty minutes in a motor-car easier or harder than four hours' solid trudging along a dirt road? And soon we shall be making in an hour by air what were days' journeys by motor. Shall we all then be nervous wrecks? But does this state of nervous wreckage to which we are all said to be coming exist in life—or in books? . . . Go to the people who are working with the actual things of the world, from the labourer travelling to his work on the street car to the young man who hops across a continent in a day. You will find quite a different attitude. Instead of cringing away from what has come, they are looking with eager expectancy toward what is coming. Always they are willing to scrap to-day in favour of to-morrow. Go to the labourer in the street car. He will tell you that just a few years ago he came home so late and so tired that he had no time to change his clothes—just got his supper and went to bed. Now he changes his clothes at the shop, goes home by daylight, has an early supper, and takes the family out for a drive" . . . "The men at the top, who are changing all these things, will tell you the same. They are not breaking down. They are marching the way progress is going, and find it easier to go along with progress than to try to hold things back" . . . "The Chinese coolie, working through long hours for a few cents a day is not happier than the American workman with his home and automobile. The one is a slave, the other is a free man."

When it is understood that the choice is between the simple life and the diverse amenities provided by cheap production, how many will choose the former? Only the philosophic few; the restless majority desire to share all the experiences of the age. They want better houses, better clothes, books, pianos and gramophones, motor-cars, travel and amusements. Restriction of output must lead to limitations in all of these. Ford is right in thinking that the proletariat is looking forward, not backward. And he cannot have it both ways. Slacking means lower standards of civilisation, in both material and mental spheres. Eliminate wasteful physical labour, and leisure for intellectual pursuits becomes possible.

THE POWER AGE.

"Having a high standard of living may or may not be civilisation—that we do not know. But we think that civilisation in terms of material well-being indicates a degree of intellectual well-being, for without economic independence there can certainly be no intellectual independence. If a man spends twelve hours a day hunting his daily bread, he is not going to have much

time over for clear thinking. It is natural and proper that this new era into which we are entering should be distinguished for the time being by the devotion of much of our power resource to transportation.

" The automobile is not a thing of itself—it is just a way of using power. Our civilisation—such as it is—rests on cheap and convenient power."

The workers will lose their chains not by Marzian socialism, but by the intelligent harnessing of natural resources by technology.

" One way to use the power is through a machine, and just as we often think of the automobile as a thing of itself instead of as a way of using power, so also we think of the machine as something of itself instead of as a method of making power effective. We speak of a ' machine age.' What we are entering is a power age, and the importance of the power age lies in its ability, rightly used with the wage motive behind it, to increase and cheapen production, so that all of us may have more of this worlds' goods. The way to liberty, the way to equality of opportunity, the way from empty phrases to actualities, lies through power; the machine is only an incident.

" The function of the machine is to liberate man from brute burdens, and release his energies to the building of his intellectual and spiritual powers for conquests in the fields of thought and higher action."

This is a dynamic age. Ford alone had, up to December 1st, 1925, " through cars and tractors, added to the world nearly three hundred million mobile horsepower . . . The whole world uses only twenty-three millions of stationary horse-power, of which the United States owes more than nine million." Here we have one of the most interesting statements in the book. During the nineteenth century Britain's industrial expansion was the most remarkable happening in the history of the world. When our first Census of Production was taken, in 1907, we had, apart from agriculture, power plant in factories amounting to 10¼ million horse-power. Apparently we are still the most industrialised nation on earth, but the internal combustion engine has to be reckoned with. We are led to wonder whether America's prosperity is due mainly to petroleum, whether our depression has been caused by the lost supremacy of coal and steam power. Are the miners protesting, not against the mineowners, but against Fate? Certainly we cannot afford serious stoppages, nor excessive taxation. Shall we put our house in order before it is too late?

MAXIMS FOR INDUSTRIAL ORGANISERS

Having discovered a new motive for industry, and abolished the " meaningless terms, ' Capital,' ' Labour,' and ' Public,' " Henry Ford sees the stupidity of cataloguing the community as capitalists, producers and consumers. " The owner, the employees, and the buying public are all one and the same, and unless an industry can so manage itself as to keep wages high and prices low it destroys itself, for otherwise it limits the number of its customers."

" One's own employees ought to be one's own best customers."

" There is no ' living wage,' for unless an equivalent in work is returned no wages can be high enough for a man to live on them. And also there can be no ' standard ' wage. No one on this earth knows enough to fix a standard wage. The very idea of a standard wage presupposes that invention and management have reached their limit. No greater injury can be done to a man than to pay him a high wage for a small amount of work, for then his high wage increases the prices of commodities and puts them beyond his reach." . . . ." Profits belong, primarily, to the business, and the workers are only part of the business. If all the profits were given to the workers, then improvements . . . would not be possible."

" To effect the economies, to bring in the power, to cut out the waste, and thus fully to realise wage motive, we must have big business —which does not, however, necessarily mean centralised business. We are decentralising."

* * *

" We carry our costs out to four decimals."

* * *

" The key of our production is inspection. More than three per cent. of our entire force are inspectors. This simplifies management. Every part in every stage of its production is inspected."

* * *

It is much better, thinks Mr. Ford, to spend money on efficient transport than on excessive stocks of raw materials. " Having on hand twice as much material as is needed . . . is precisely the same as hiring two men to do the job that one man ought to do " . . . " For a railroad to deliver in ten days when it might

deliver in five is grand larceny . . . If a ship is held a couple of weeks in port unloading and loading, the loss will probably be greater than the total wages for a year " . . . " Modern business—modern life—cannot afford slow transportation."

ABOUT ENGLAND.

" The British bricklayer, with kind intent towards his fellow bricklayer who is out of a job, is easily persuaded that if he will lay only half the number of bricks that he formerly laid the bosses will have to hire his out-of-work friend to lay the other half. That is, he thinks he is creating two jobs where only one existed before, and so decreasing the evils of unemployment. But he does not make a job. He only increases unemployment by making bricklaying so expensive that few can afford to build houses. . . Though England cries for houses, few houses go up. Working-men's houses do not go up at all " . . . But, " the workman did not invent the scheme of getting something for nothing. He only copied those who employed him."

" Fully to carry out the wage motive, society must be relieved of non-producers . . . repetitive work . . . instead of being a menace to society, permits the coming into production of the aged, the blind, and the halt."

One wonders what Ford would say if he knew that we have 1½ million unemployed, nearly 1¼ million on poor law relief, and well over a million old age pensioners; also large numbers of disabled ex-service men and superannuated officials of public departments, the police force, teaching profession, etc.

Finally, lest it be thought that Fordism is synonymous with materialism, that standardisation make for monotony, here is the conclusion of the whole matter. " The eventuality is a world in which people will have a chance to use their brains, for they will not be occupied from early morning until late at night with the business of earning a livelihood. . . The true end of industry is to liberate mind and body from the drudgery of existence by filling the world with well-made, low-priced products."

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and the

Industrial League and Council

Founded 1915. Incorporated 1921.

(Incorporating The Industrial League; The Industrial Reconstruction Council; Industrial Information and Higher Production Council.)

for the Improvement of Relations between Employers and Employed

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NOTES.

DURING the last month was completed one of the most successful series of Week-End Conferences that has been promoted by the National Industrial Alliance for the past seven years. It would be invidious to draw distinctions between the respective gatherings, but we may be permitted to state that two of the Conferences exercised a definite influence on the policy of the local Education Authority in the town in which the gathering was arranged and the keen attention of various social and business interests was aroused.

A still more ambitious programme of these unique and practical discussions in the interest of co-operation, goodwill and industrial peace will be arranged for next season.

The termination of one phase of the Alliance activities is the prelude to the prosecution of other aspects of its work. "Full speed ahead" is an accurate description of the Educational work for the winter session. The classes in Industrial History and Economics arranged by the Alliance on Tuesday and Thursday evenings, which are open free to all members and to the nominees of member firms and Trade Unions, have recommenced this month under the most auspicious circumstances. A few places may still be alloted in the Thursday classes, provided application is made forthwith to the Education Secretary at 25, Queen Anne's Gate, S.W. 1.

* * *

Works Organisation and Management and Industrial Administration.

THIS important course of Lectures, promoted under the joint auspices of the National Industrial Alliance and the authorities of the Regent Street Polytechnic for the fourth year are attracting increasing numbers of Students and the clases are fully manned.

Application for further enrolments should be made to either the Education Secretary as above or to the Director of Studies at the Polytechnic.

* * *

OUR domestic Coal Problem is unhappily, at the time of writing still unsolved. We are privileged in this issue to present to our members as promised an Article by Mr. Mack Eastman on the "International Aspects of the Coal Question."

The necessity for the British organisation to heal as rapidly and as permanently as possible its internal divisions is emphasised by a conception of the world aspects of this problem.

INTERNATIONAL ASPECTS OF THE COAL QUESTION.

By MACK EASTMAN, PH.D.,
Research Division, International Labour Office

THE international aspects of the coal question are still less clear in people's minds to-day than they were in April. The unhappy struggle in Britain has not only distracted attention from ultimate issues, but has temporarily upset the normal situation in the coal markets of the world. Accordingly, tendencies which were plainly discernible in April (§), and which will come into play again in a few months, are for the present reversed because the world's greatest exporter of fuel has become suddenly an importer only. The result of this phenomenon is the adjournment of the " coal war " which was opening among exporting countries in general and between the two chief rivals, Britain and Germany, in particular.

In this war the combatants not only flung their black armies against each other's territory, as when Durham coal invaded Berlin, and Thyssen coal penetrated to English pitheads, but they hurled them together in fierce encounter on the neutral soil of the chief importers. Among the actual contestants we may assign the leading places to Britain, Germany, Poland, Czecho Slovakia and Belgium, in all of which countries the coal industry was in a gravely critical condition.

CAUSES—POSITIVE AND NEGATIVE.

The positive causes of this widespread crisis included overdevelopment of European coal mines during the War and the boom period which ensued, the opening up in Central Europe of vast fields of lignite, the stimulation of fuel production in the Orient and in the Southern Hemisphere by the partial isolation of these regions from their usual sources of supply, and the remarkable growth in the competitive value of hydroelectric power and of petrol Of these factors in the situation, only the last two are entirely outside the coal industry itself, and of these two the former is rather definitely limited as to duration. According to Sir Richard Redmayne and other experts, the earth's oil supplies will be exhausted in possibly 80 years; and if these forecasts are generally accepted, the prices of petrol will rise in anticipation and to this extent diminish prematurely its importance as a rival of coal.

So much for the positive causes of the world coal crisis. There is also a negative cause, and that is acute under-consumption due to general commercial and industrial depression and particularly to stagnation in the iron industry which is averaging only 78 per cent. of its pre-war productivity. The importance of this latter situation arises from the fact that, just as of all industries coal-mining is for its size the greatest consumer of labour, so is the iron industry the greatest consumer of coal.

PRICE-SLAUGHTER.

For all these and other reasons a national crisis existed throughout 1925 and up to last May in every important coal-exporting country. The efforts of each competitor to get rid of its surplus stocks resulted in an international " coal-war " In each country the government felt bound to come to the aid of its own struggling industry with subsidies or export bounties, tax-exemptions, reduced freight rates, protective tariffs, or even State purchase at high figures. The play of " stimulus and reaction " across all the frontiers affected by the coal war was rapid and continuous. It was a " vicious circle " enclosing not only the principal antagonists, Great Britain, Germany, Poland and Czecho Slovakia, but also their importing neighbours, such as Austria, Jugo-slavia, Rumania, Bulgaria, Holland, Belgium and Spain, whose feebler domestic industries feared to be smothered under the inrolling masses of cheaper combustibles. Only in France were the home mines protected temporarily, and at the expense of the nation as a whole, from the worst effects of the Anglo-German price-struggle on their soil by the steady fall of the franc and the accompanying prosperity,—ephemeral, fallacious and perilous—of the French iron-trade Everywhere else the confusion was becoming worse confounded until we found Polish coal, unnaturally deflected by a new German tariff-wall southwards toward Czechoslovakia, Rumania and Jugoslavia, and re buffed there in turn, reappearing in Baltic ports with the aid of a 50 per cent. reduction in freight rates, and finally selling in Scandinavia at less than the home price. The price-slaughter was due to the presence in the same markets of German coal, some of which was selling at 59

§ For facts, figures and authorities see my article on " Coal-Crisis Literature " in the International Labour Review for May, and the rubric " Coal Situation " appearing frequently in the weekly Ind. & Lab. Information since 3 May The present interpretative summary is entirely personal.

per cent. below its proper level, and of British coal which was striving with the aid of the subsidy to hold its old customers.

WORLD EFFECTS.

Such was the chaotic situation in the nations most directly affected and most profoundly disturbed by the international coal crisis, and such was the repercussion of their rivalries in the second European group which I have depicted as composed of more or less passive spectators or sufferers. However, the coal crisis did not concern Europe alone, and the second group may be extended to include South America and Canada, Japan, Australia and India As the coal industries of these nations were not in the throes of the struggle, we shall refrain from discussing them here, and pass immediately to the observation of a third group which held a grave menace for the near future.

SPECTRES OF FUTURE COMPETITION.

The third group is composed of nations whose exporting activities have hardly begun, but whose entrance into a renewed conflict would work havoc to the principals and, by repercussion, to all concerned. In this distant array of coal giants with their passive pose but threatening mien, we may first mention the youngest of them, South Africa, a fast-growing stripling, the victor in the coal war of the Indian Ocean, a mariner who has sailed with a broom at his masthead right up to Aden. Second, comes a coal giant slowly awakening and capable one day of supplying half the world; China promises very soon to become the principal coal-purveyor for the countries of the Pacific, with Shangai as the price-regulator for the whole Far East. Thirdly, we remark a mighty convalescent whose significance in a future coal war remains doubtful and subjected to changes of government policy. However, if Russia's potentialities are questionable, America's are certain.

AMERICA AND POSSIBLE DISTURBANCE.

In the words of Frank Hodges, the United States is " the greatest potential disturber of the market." If America " were to throw only 5 per cent. increase of coal into the export market she could upset Europe almost irretrievably." According to Sir Richard Redmayne, if her present equipment were kept employed twelve months in the year (instead of approximately seven), an annual surplus of 200 million tons would result. Consequently, if an American combine, for a complex of reasons, chose to *dump* coal on the world market, the result would be immediately catastrophic to others, even though indirectly and in the long run disadvantageous to America herself.

A FORECAST.

We have not recalled briefly the dominating factors of the situation as it appeared last April. The cessation of work in the mines of the United Kingdom has altered the face of things for a number of months. Britain's coal rivals are enjoying without glee a prosperity which they recognise to be of short duration in spite of their cautious, long-term contracts. When the British miners have got back to work, and have relieved the fuel hunger of certain industries, the second campaign of the world coal war will begin, almost imperceptibly at first but with steadily gathering momentum, from all sides at once, until, in the struggle for the recovery of old trade or the retention of new, markets will be glutted, stocks will accumulate and mines will again be closing down or working at a loss. The outlook is gloomy unless we descry in the distance some new feature of promise. Is there no hope?

* * *

ECONOMIC TRUTHS.

Before proceeding to enumerate some of the remedies most frequently put forward, I must allude parenthetically to one ineluctable aspect of the coal question which is both national and international, and that is the hard and unpleasant truth that, especially in the United Kingdom, there are too many mines and too many miners. Any programme of reform which Britain may eventually adopt, must include the closing sooner or later of uneconomic pits and the transfer of mine-workers to other employment somehow, somewhere.

SUBSIDIES v. SCIENTIFIC ORGANISATION.

During the last two years in several countries various solutions have been proposed and essayed. While governments were succouring their national industries with subventions, bounties and tariff protection, the coal organisations themselves, at least on the Continent, were striving with might and main to remedy the evils from which they were suffering. In Germany the whole fuel industry has been *rationalised*, or reorganised on strictly scientific lines. Legal control has been concentrated in the hands of eleven district syndicates which in turn are centralised in the great *ReichsKohlenverband* supervised by a national council representing the owners, the consumers and the workers§. By means of this formidable economic instrument, standarisation of machinery has been effected, uneconomic mines largely abandoned, 90,000 workers (chiefly the aged or less fit) summarily dismissed in the Ruhr alone and transferred to other occupations elsewhere, with the aid of the State. One result has been the increase of out-

§ See full discussion in " The Times," Aug. 13 and 14: " German Coal."

put per manshift to 5 per cent. above that of 1913. Yet all this did not prevent the English coal subsidy, in the words of the German Commission of last March, from " pressing heavily on the Ruhr," or the Ruhr stocks from piling up disastrously to 9½ million tons. Poland likewise has syndicated, centralised, rationalised and *mechandized* her national coal-fields on the German model and immensely increased their efficiency from the standpoint of international competition, but without in any sense restoring their prosperity before the British stoppage of May 1. Spain has adopted the same pattern; Czechoslovakia seems to be inclining toward it; Russia has energetically applied a similarly drastic programme. What was the net result last Spring?

COAL AND NATIONAL FRONTIERS.

According to the German Commission the final effect was " intensified competition . . . which exercises a very marked pressure on prices " and results in a " congestion in production." From all this it is clear that the most vigorous applications of purely national remedies attempted up to last May bore no visible fruit other than the intensification of the international crisis, inasmuch as the solutions advocated or tried by coal-owners, technical experts or governments had been concerned almost exclusively with the intensification of production and the speeding up of the machinery of the national industry in order to compete more effectively with foreign rivals in the markets of the world. Yet, as we observed in an earlier paragraph, the operation of the principle of stimulus and reaction is constant across all the coal frontiers Every move, whether political, economic or technical, that has been attempted by one nation, has produced almost immediately a reaction equal if not opposite among its rivals. The net result has been irritated feelings and glutted markets. A few outstanding individuals and several miners' organisations have been alive to the ominous trend of events and to the urgent necessity for a study of international rather than national solutions.

INTERNATIONAL ENTENTE?

Nevertheless, although there can be no doubt as to the desirability of some manner of international entente, yet there is great doubt as to the precise form it should take. The Franco-German potash agreement may be an encouragement, but it is not a guide, since the " potash question " is relatively simple while the coal question is infinitely complex. Again, iron is less complicated than coal, yet the present effort of several European countries to effect a metallurgical merger has been encountering obstacles. However, as many of the best minds in British and European industry believe that some degree of international collaboration in coal is possible and necessary. We have no right to be discouraged before the various schemes have been studied and tested.

At the outset we shall discover that most of the proffered remedies presuppose a reorganisation of the British coal industry resulting in either a national sales syndicate of the present owners or outright nationalisation as proposed by the Labour Party.

THE " FREIGHT FAVOURABLE " BASIS.

Given the prerequisite of a responsible national coal executive, the first plan which may be mentioned is that for a division of the world's markets among the chief exporters on what is known as a " freight favorable " basis. Such a rigid system would undoubtedly appear arbitrary to the importing regions and would frequently run counter to their industrial interests because of the great variety in the qualities of coal Dissatisfied customers could easily thwart the terms of the exporters' agreement by indirect means and subtle devices.

A seemingly more flexible arrangement might be found in a simple understanding as to export quotas. These quantities would be determined by an international committee of experts who would estimate the probable world demand for a given period. Difficulty would arise here again from the number of different grades and qualities of coal, but a strong national syndicate could probably live up to its undertakings in this respect.

In the opinion of some people there would be still greater suppleness in an all-inclusive periodic agreement as to the total national production of the principal competitors in the export trade. Each national syndicate might be fore harassed by the opposing claims of its own component companies, but its agreement with foreigners would need to take cognizance only of total quantities and not of diverse qualities.

ANGLO-GERMAN PRICE FIXING.

A similar advantage can hardly be claimed for the Anglo-German price-fixing plan countenanced by many authorities, including the British Royal Commission. Even if a highly differentiated price-schedule could be accepted and firmly applied by two national syndicates, the difficulty of maintaining it would probably increase in an almost geometric progression as new partners came in.

All these and most other plans could be seriously entertained only after the British industry had been as completely unified as the German. There remains one relatively modest project which might be atained under existing

circumstances through intergovernmental agreements, and that is the standardisation of hours of labour. In its Report (p. 178) the British Royal Commission said : " If a common level of working hours, through the intervention of the International Labour Organisation or otherwise, could be agreed upon, it might be advisable to accept it, even if it meant some small increase here to meet part way a decrease elsewhere."

A SUGGESTED COMPROMISE.

It is evident that the decrease elsewhere will not take place spontaneously and without pressure. The British industry must have something to offer its rivals when it meets them in conclave; it must have some leverage upon them. At present it has none. Were British mines to begin working a 7½ hour day (British reckoning), that would place them on a time-level of equality with European mines working an 8 hour day (Continental reckoning). The British exportable surplus would be considerably increased in the extra half hour, and British export prices could be sensibly lowered. On the other hand, the new situation would threaten an overproduction and a glutting of world markets more calamitous than the crisis of last year, especially if European exporters were to envisage in their turn the possibility of an increase in hours. That would be the psychological moment for the British and German industries to come together under governmental auspices to attempt the standardisation of working hours. By such action alone could they head off the ruinous struggle. It is not conceivable that such a conference might adopt for a period of years a maximum day of 7½ hours (British count)§ applicable only in times of general industrial activity, and a minimum day of 7 hours to be resorted to in times of depression, with a permanent committee of statistical experts to calculate the world's needs for, let us say, the ensuing quarter, and an international coal council (representing governments, owners, miners and consumers) to act on the advice of the experts and apply a sliding-scale of hours between the minimum and the maximum? Suppose the length of the mining day were thus scientifically and authoritatively regulated, first as regards England and Germany, and later as regards the other great exporting nations, is it an exaggeration to suggest that the question of prices (and therefore of wages) might take care of itself?

§ or more probably of 8-hours (Continental count). Surely the Continental method is the more accurate. That British miner must have a happy disposition who considers " winding-time " a holiday!

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THE PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES.§

By G. H. STUART BUNNING, J.P., O.B.E.

I.

WITHIN the last seven years some thirty States, including Great Britain, Germany, Italy and Japan, have made important and, in some cases, fundamental, changes in their methods of dealing with industrial disputes. So large a body of legislation testifies plainly to the general feeling, noticeable in the great majority of industrial countries, that the measures in force for the prevention and settlement of strikes and lockouts are anything but satisfactory

There is little question that this feeling has a basis in fact. Stoppages of work are not being effectively prevented. In Canada, one of the countries most successful in this respect, the number of days lost through strikes and lockouts during the five post-war years 1919-23 was some two and a half times as great as that for the quinquennium 1904-08 fifteen years earlier, and this when full allowance is made for the increase in population. If a similar comparison is made for Great Britain, the number of days lost is found to have *decupled* in the space of twenty years. It may be urged, with justice, that 1919-23 were exceptional years, but the failure of the machinery of conciliation and arbitration to keep pace with the growing problem of how to prevent stoppages of work is none the less evident.

PREVENTION AND SETTLEMENT FAILURES.

If strikes and lockouts are not being effectively prevented, nor are they being satisfactorily settled by the methods in force. In Britain some 14 per cent. only of the stoppages of work are brought to a conclusion by way of conciliation and arbitration. In France less than 10 per cent are settled by means of the statutory machinery for this purpose, and these the less important disputes. Where compulsory measures have been adopted the record is no better. In Australia only 15 per cent. of the stoppages of work are effectively dealt with by the machinery for compulsory arbitration, and in New Zealand, of the 527 strikes and lockouts during the period 1906-24, only 40 were settled by negotiations under the Industrial Conciliation and Arbitration Act.

This problem of the prevention and settlement of strikes and lockouts is serious in all countries, but far more serious in some than in others. The following table shows for a number of States the average number of days lost per annum over the period 1919-23 as a direct consequence of strikes and lockouts (column 1) and, in order to make these figures internationally comparable, the average number of days lost per annum per thousand of the population (column 2):

	Average number of days lost per annum, 1919–1923 (1)	Average number of days lost per annum per 1,000 of population (2)
Great Britain .	35,586,000	819
Sweden	4,696,747	795
Germany . . .	35,350,906	591
Australian Commonwealth	2,228,314	411
New South Wales.	1,387,701	661
Victoria	357,959	234
Queensland .	168,476	223
South Australia ..	133,625	270
West Australia	153,495	461
Tasmania ...	25,883	121
Italy	13,657,522	352
France ..	10,173,415	259
Canada ...	1,705,835	194
New Zealand ..	102,601	84

BRITAIN'S UNENVIABLE PRE-EMINENCE.

As will be seen, Britain heads the list It is true, of course, that this country is far more highly industrialised than such a country as New Zealand, for instance, and a larger number of days lost in comparison with the population is to be expected as a consequence. But the fact nevertheless remains that the loss in one country per head is some ten times the loss in the other This comparison is given still greater poignancy when it is remembered that twenty years earlier, during the five years 1899-1903, the number of days lost in Britain per thousand of the population was rather less than the figure for New Zealand now.

II.

GROWTH OF COMPULSORY MEASURES

In face of the huge increase in strikes and lockouts during recent years it is not surprising that compulsory methods have of late grown in popularity in a number of countries. These

§ The main facts on which this article is based are taken from a series of articles shortly to be published in the International Labour Review entitled "The Conciliation and Arbitration of Industrial Disputes. an International Analysis and Synthesis."

methods vary considerably in their nature and scope. Italy has absolutely forbidden any stoppage of work whatever. In Germany a settlement can be enforced upon the disputants where the public good requires. Russia has not definitely forbidden all stoppages of work, but there are restrictive regulations. Greece has adopted a compulsory arbitration act within the last few months. In Roumania and South Africa special measures have been taken to prevent stoppages of work in public utilities. In Norway a Bill providing for general compulsory arbitration has been under discussion, and in France a Bill for compulsory conference is down for consideration.

In Belgium an ingenious measure midway between persuasion and coercion has recently been adopted. Where the employers are intransigent in their attitude, workers locked out or on strike are entitled to unemployment benefit. on the other hand, where the workers refuse to have recourse to the conciliatory and other measures provided, the State contribution to the unemployment fund of the offending union can be withheld for a year.

In addition to these countries which have recently adopted, or are proposing to adopt, compulsory legislation, some measure of compulsion is in force already in New Zealand, in all of the Australian States, in Canada, Norway, certain of the United States and a number of South American Republics.

BRITAIN AND COMPULSION.

If there is one thing more certain than another, however, it is that in the opinion of the great majority of those engaged in British industry the compulsory prevention or settlement of strikes and lockouts would be likely to aggravate rather than to allay industrial unrest. If more effective methods are to be found for this country it would seem that they must be looked for elsewhere.

III.

EXPERIENCE OF COMPULSION.

With the evident drift towards compulsory measures it is interesting to see what has been the course of evolution in those countries—New Zealand and the Australian States—which were the pioneers in this field and now have some thirty years' experience of compulsory arbitration behind them. As a result of continual experiment they have to a great extent abandoned the original idea of forbidding stoppages of work absolutely, and their most important activity now takes the shape of the prevention of strikes and lockouts by means of wage determination. In this, if statistics are any guide, they would seem to have achieved a considerable measure of success.

In the great majority of countries, as the following tabular statement illustrates, disputes over wages account for between two-thirds and three-quarters of the stoppages of work:

Percentage of stoppages of work in various countries attributable in part or whole to wage disputes.

Canada ...	(1914-1924)	75	per cent.
Finland ..	(1913-1914. 1917-1923)	78	,,
Great Britain .	(1910-1924)	66	,,
Italy	(1914-1923)	77	,,
Japan	(1914-1924)	71	,,
Spain	(1914-1923)	62	,,
Sweden ..	(1914-1924)	77	,,
United States . .	(1916-1922)	62	,,

In Australia and New Zealand during the periods 1913-23 and 1906-23 respectively only 37 per cent. and 35 per cent. of the stoppages of work were due to wage disputes. That is to say, in these countries the number of wage disputes has been almost exactly halved.

This comparison is made still more striking if the number of workers engaged in stoppages of work is also taken into consideration. In Great Britain, for instance, whereas 66 per cent. of the stoppages of work are over wage questions, 69 per cent. of the total number of workers engaged in strikes and lockouts stop work for this reason, showing that strikes and lockouts over wages are above the average in size. In Australia and New Zealand, on the other hand, the number of workers so affected is below the average, only 33 per cent. and 21 per cent. respectively of the workpeople engaged in strikes and lockouts during the periods under consideration having ceased work over wage questions.

THE EVIL OF ALTERNATING BARGAINING STRENGTH.

The inference to be drawn from this remarkable contrast is fairly evident. In the first group of countries—Canada, Great Britain, Sweden, the United States and the rest—wage disputes are settled by trial of economic strength. When trade and employment are good the workpeople are in a superior bargaining position and can enforce wage advances When trade and employment are bad the employers are in a superior bargaining position and are able to drive wages down Accordingly, with every major fluctuation of the business cycle, a fresh series of wage disputes arises.

VALUE OF SETTLED PRINCIPLES.

In Australia and New Zealand, on the other hand, both employers and workers accept a general principle for the determination of wage rates—in this particular case a State regulated living wage The vital consideration, however, would seem to be not the method by which wages are determined—State regulation—but the fact

that both sides agree upon the principle of determination, since by this means the recurrent conflicts brought about by every change in relative bargaining strength of the two parties are for the most part obviated.

IV.

CONCLUSIONS.

Drawing together the main threads of the article an interesting conclusion takes shape. In Great Britain at present, stoppages of work give rise to more days lost per head of the population than in any other country in the world, and this loss is some ten times as heavy as it was in the corresponding quinquennium twenty years ago. Compulsory measures towards which other countries are perceptibly drifting are not calculated to improve the condition in Britain, being much more likely to arouse greater industrial unrest than to prevent or settle disputes. The question arises, is it not possible to jump the intermediate stage of compulsory prohibition of stoppages of work through which the Australian States and New Zealand are apparently passing and, by adopting principles for the determination of wage rates, reduce the 66 per cent. of strikes and lock-outs over this question to 33 per cent., as has been done in those countries?

So long as the principle that " might is right " is accepted as the decisive one in the decision of wage disputes, and so long as the alteration of boom and slump continues to shift the balance of bargaining power from one side to the other, anything resembling peace in industry, while not impossible, is certainly unlikely. On the other hand, if employers and workers in each industry set themselves the task of arriving at some substantial agreement as to what they understand by a " square deal " over wages, the great majority of such differences could be settled by reference to the principles so laid down.

DEMONSTRABLE PROOF.

That this is not merely a theoretical solution experience in one of the largest British industries is a standing proof. In the September issue of this journal the Right Hon. John Hodges, President of the Iron and Steel Confederation, describes how the adoption of principles for the settlement of wage rates has practically eliminated stoppages of work in that industry. Sir William J. Larke, of the National Federation of Iron and Steel Manufacturers, in a recent address, testified to the same effect, stating that the methods adopted had proved so successful in operation that it might be claimed that there has not been a substantial stoppage originating within the industry for over forty years. It is not to be inferred from this that the particular principles of wage determination adopted in this industry are likely to prove suitable in all others—it is certain inded that they would not—but that substantial agreement between employers and workers in an industry as to the method of determining wage rates is possible, and that such agreement can cut out a full half of the stoppages of work arising over wage disputes—as in Australia and New Zealand—is not a theory but a proved fact. It is a question worthy of consideration whether this is not a possible way to that greater measure of industrial peace which Britain so sorely needs.

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Business and the Law of Contract.

By F. E. SUGDEN, A.C.I.S., F.R.Econ.Soc., *Barrister-at-Law.*

HAVING previously dealt with, in last issue of the Magazine, the Law of Contract in reference to Railway Passengers, Insurance Companies, Auctioneers, and finally, the Assignment of Contracts, it is important to note the Interpretation of Contracts and the Stamp Duties thereon. One contends that this branch of law is one of the most important section of our judicial system, and on which most work of the High Court of Justice is based and engaged in its settlement.

The interpretation of a written document is governed by law and regulated by well-established rules, but frequently the jury must in certain cases ascertain as a fact the meaning of the words used in a written contract, and the attendant circumstances must also be reviewed in this connection.

One rule for the construction of a written contract is that the language of the agreement is to be understood in its literal meaning, even though such a construction may appear not to carry out the view which it may be supposed the parties intended to carry out.

" CUSTOMS OF TRADE."

There are two exceptions to the above general rule, e.g , where the jury has found as a fact that certain words as in commerce or words used in a particular locality have been used in a special technical sense other than their literal interpretation, then the Court will construe them in such special technical sense, and though evidence of a particular custom is not permitted to add a new term or condition which is inconsistent with the express terms of the contract, evidence of such a custom is admissable to alter the meaning of words and that these words were intended to be used in a special sense, e.g., in the case, Blow v. Lewis, the words in a contract " when theatrical performances are suspended from any cause whatever " were held to refer only to a general closing of theatres.

EVIDENCE OF INTENTION.

Evidence will not be admitted of any such technical meaning of words where from the whole context of the agreement that the parties to the agreement did not obviously intend to use such technical terms, e.g., in the case of Holt & Co. v. Collyer, where a party covenanted not to use a house as a beer-house, but opened a grocer's shop where he carried on the sale of beer to be drunk off the premises, evidence to show that " beerhouse " was understood in the trade to include such a shop was rejected. In certain cases verbal evidence, or parole evidence as it is sometimes called, may be given to explain a latent ambiguity or to show that the contract was made subject to a condition unexpressed in the writing.

IMPLIED INTENTION.

Where the context itself shows that words were not intended to be used in their ordinary sense, they must be construed in harmony with the context, and as was laid down in the case of Ford v. Beech; greater care is necesary as to the intention of the parties. In order to ascertain the meaning of a contract, a term or condition not expressly stated may under certain circumstances be implied by the Court, e.g., the case of Amber Size & Chemical Co., Ltd. v. Menzel, in reference to a contract of employment; an implied obligation or condition existed that an ex-employee is not allowed to disclose or use information as to the secret process acquired during employment. The above proviso only exists if it is clear from the nature of the transaction or from something actually found in the agreement that the contracting parties must have intended such a term to be part of the arrangement.

It is important to note that if the contract is effective without the suggestive term, and is capable of being fulfilled as it stands, such an implication ought not to be made, e.g., the case of Consolidated Goldfields of South Africa, Ltd. v. Spiegel & Co., in reference to the sale of shares for special settlement, there is no implied condition that the special settlement should take place within a reasonable time.

INTENTIONS AND COVENANT.

In construing the intentions of parties in a deed or other written contract, it is not to specifically state each provision in detail, but merely necessary to construe the document as a whole. In the case of Brooks v. Jennings a recital (i.e., method of making mention in a deed or writing of something which has been done before), in a composition on his debts, was held equivalent to a covenant (i.e., a promise) with each of the creditors to pay such composition.

INTERPRETATION OF GENERAL TERMS.

The general words in a deed will be interpreted with reference to the subject matter in relation to which they are used, and may be limited accordingly. In the case of the Metropolitan Railway v. Postmaster-General an agreement gave to the Postmaster-General the right to construct and maintain a line of telegraph wires along the railway belonging to the A. and B. Railway Co. A clause in the agreement provided for the free carriage of stores and men employed by the Postmaster-General " in the construction, maintenance or repair of the lines of telegraph of the Post-

master-General." The High Court held that the telegraph lines in question must be limited to those in the subject-matter of the agreement.

Where general terms follow particular ones these general terms apply only to those persons and things which are *ejusdem generis* (of the same kind or nature) with those comprehended in the particular ones, e.g., policies of insurance, where special enumerated risks are insured against, followed by a general clause insuring against all risks whatsoever, the last clause being construed as limited to risks of the same nature as those previously mentioned (Thames and Mersey Marine Insurance Co. v. Hamilton, Fraser & Co.).

DISCRETION OF THE COURT.

In construing a written contract effect should be given to every word which has not been left in by mistake. The Court may insert stops and parentheses when they are missing (Doe v. Martin), and may also supply words when it is clear from the instrument itself that they have been omitted by inadvertence, e.g., in case of James v. Tallent had reference to an annuity for support of illegitimate children and their mother during their joint lives: the words " and during the life of the survivor " added. Words may be struck out which have obviously been left in by mistake or which are immaterial, and mis-spelling and grammatical errors may be corrected (Glen's Trustees v. Lancashire and Yorkshire Accident Insurance Co., Ltd.).

VAGUELY WORDED CONTRACTS.

What is the legal position when a contract is put into uncertain terms? Where the parties have put their agreement into such vague and uncertain language as to be unintelligible, the contract is altogether void (i.e., unenforceable) unless the uncertain part of the agreement can be separated from the rest of the agreement, but words which are grammatically meaningless may be found by a jury to be used in a mercantile sense and interpreted accordingly.

What is the legal position when there is a disparity between words, figures and print? Where a contract is partly written and partly a printed form, more weight is given to the written than to the printed words where they are inconsistent A signature in pencil is as effective as if written in any other manner (Lucas v. James).

ONUS OF OPTION.

If an agreement gives two alternatives without saying at whose option one of the alternatives is to be exercised, the general rule is that the option is with the party who is to do the acts in question, e.g., in the case where a person agreed to lend the other person £50 for nine or six months, the borrower being required to do the act in respect of which the alternative periods were specified was held entitled to the option of either period.

Where a contract is made by an agent in his own name, verbal evidence, or parole evidence as it is sometimes called, is permitted to show who the principal is for the purpose of making him liable on the contract.

What part does custom play in the construction of a contract? Verbal evidence is admissible in explaining custom or usage. It may also be proved by verbal evidence that a document was never intended to be an agreement, even though it is signed by the person who refuses to be bound by it, e.g., in the case of bought and sold notes it may be shown by either party that the sale was merely colourable and that it was not their intention in signing the notes to make a binding contract.

VERBAL EVIDENCE.

Incidentally, it is worthy of note that verbal evidence is always admissible to prove facts tending to show that a written contract is void (i.e., unenforceable by either parties to a contract), a voidable (i.e., enforceable by one party only, e.g., parties incapable of making a contract), contract made with the essence of fraud in it, a consent of parties obtained by fraud or duress (force), undue influence, non-disclosure of material facts as in an insurance contract, want of valuable consideration Verbal evidence may also be used that a written contract has been rescinded (i.e., cancelled) by a subsequent oral agreement.

STAMP DUTIES.

Before concluding an explanation on the Law of Contract, it is important not to overlook the law of Stamp Duties in reference to all branches of contract. Subject to certain exemptions, every agreement is subject to stamp duty of sixpence. The exceptions or exemptions are: (a) Any agreement the matter of which is not of the value of five pounds; (b) any agreement for the hire of any labourer, artificer, manufacturer or menial servant; (c) any agreement relating to the sale of goods; (d) any agreement between master and mariners of any ship for wages on any voyage coastwise from port to port in the United Kingdom; (e) any agreement for the sale, transfer of any ship; (f) any agreement of apprenticeship relating to an artificer, clerk, domestic servant, handicraftman, mechanic or gardener or labourer; (g) any agreement for reviving the Statute of Limitations; (h) any agreement other than a mortgage given by a building society under its rules.

The duty, i e., the stamping of an agreement, may be denoted by an adhesive stamp which must be cancelled by the person by whom the agreement is first executed by writing on or across the stamp his name or initials, together with the date of his so writing.

Every contract by deed is subject to a duty of ten shillings, which must be by impressed stamp. A duplicate or counterpart of any deed or agreement chargeable with duty must be stamped with five shilling stamp.

UNSTAMPED AND INSUFFICIENTLY STAMPED AGREEMENTS.

An unstamped or insufficiently stamped agreement, subject to the fixed duty of sixpence or ten shillings, may be stamped after execution on payment of the unpaid duty and a penalty of ten pounds. The Inland Revenue Commissioners may, if they think fit, however, at any time within three months after the first execution of any agreement, mitigate or remit any penalty payable on stamping. Also, as an act of the grace, the Commissioners allow agreements to be stamped with an impressed stamp within fourteen days after execution without any penalty, and agreements by deed to be so stamped within thirty days after execution.

Any unstamped or insufficiently stamped agreement may be used as evidence on payment of the unpaid stamp duty and the penalty, and a further sum of one pound, otherwise except in criminal proceedings, may not be used in evidence in the Courts. It is interesting to know, however, that in the case of Birchall v. Bullough the Court held that an unstamped document, though not admissible in evidence, may be shown to a witness to refresh his memory. Further, in the case of Mason v. Motor Traction Co., on an application to restrain a company from carrying out the terms of an agreement with a trustee for a new company, the Court was entitled to look at an unstamped copy of the agreement as a document showing the terms on which the company proposed to sell.

When an agreement contains several distinct matters, it is chargeable with duty as if each of such matters were contained in a separate agreement. If an agreement relates substantially to only one transaction, it only requires one stamp, even though there may be several parties, each of whom undertakes a separate liability or contracts with reference to his own interest only, provided they all have a common interest in the subject-matter of the agreement.

ALTERATION AND RESTAMPING.

Where an agreement is materially altered by consent of the parties after the contract had been previously stamped, it must be re-stamped as a new agreement unless the alteration is a mere correction of a mistake and carries out the original intention of the parties to the agreement. Finally, an I.O.U. requires no stamp, and also where the document is merely an acknowledgment of the deposit of goods from which a promise to re-deliver on request is implied (Langdon v Wilson).

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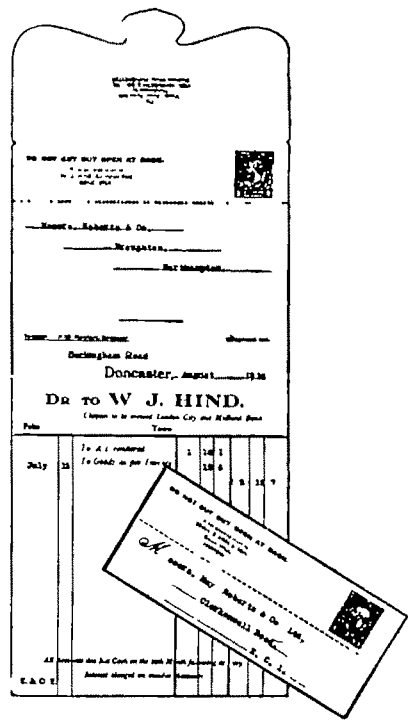

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The Story of Lloyd's.

THE ROMANCE OF RISK.

By R. E. MAYO.

In this second article of the series is told, with a wealth of interesting detail, the story of the site of the "New Lloyd's," together with an outline of some of the principal architectural and decorative features.

THE years of the war and the trade boom that followed were the most prosperous in the history of marine insurance, to be followed, however, by the inevitable slump. Lloyds in common with all engaged in the business shared in the profits and suffered from the re-action, but through "fair weather and foul" the membership of the house has continued steadily to increase, and is to-day made up as follows:—

1,269 Underwriting members.
88 Non-underwriting members.
350 Annual Subscribers.
91 Associates.
275 Marine insurance companies and other associations subscribing to Lloyds.

INADEQUACY OF ACCOMMODATION.

For upwards of 150 years the historic rooms at the Royal Exchange have been the headquarters of Lloyds, but the available space has so far outgrown the accommodation required as to become hopelessly inadequate. In face of the continued growth of the business transacted there the committee at length took action, and in 1923 the Corporation of Lloyds acquired the site in Leadenhall Street, known as the East India Avenue Estate, and is erecting thereon a magnificent "New Lloyds" that will sustain the dignity and enhance the traditions of the past.

Fronting Leadenhall Street and Lime Street and consisting of what is virtually an island site of one acre in extent the situation of the new Lloyds is surrounded with interest from every standpoint. Occupying almost the whole of the Lime Street facade of 372 feet it will have as its neighbour on the Leadenhall Street front that other famous corporation the Royal Mail Steamship line which will take over about three-fourths of the main frontage of 262 feet. The magnificent entrance to Lloyds occupies the remaining available space. Unity of character and design have been fortunately secured by the felicitous choice of Sir Edwin Cooper as Architect for the entire buildings, thus ensuring a noble addition to the Monuments of the City in the grandeur of this largest single block in the central area of London; a mere reference to the genius displayed in those fine examples of Sir Edwin Cooper's notable creations, the Port of London Authority's new buildings at Tower Hill, and the Star and Garter War Memorial at Richmond will suffice.

THE HISTORIC LEADEN HALL.

One notable fact in this choice of situation for its new home by the Corporation of Lloyds is the reversion of the present day movement westward which authorities tell us is the trend of many great business houses hitherto rooted for generations in the City. In the case of Lloyds the move is towards the old eastern boundaries of the City, and nearer the orbit of the great Shipping interests and its first abiding place in the Coffee House in Tower Street. Situate in Lime Street ward which is one of the 26 wards of the City of London, the first known building on this historic spot was Leaden Hall which in the year 1309 was a Manor House held by one Sir Hugh Nevill, remaining a private residence till 1445. It commenced its commercial associations, henceforth continuing for nearly 5 centuries when Simon Eyre, draper, and Lord Mayor of London, presented it to the City to be converted and used as a granary. Its roof was of lead, an unusual distinction in those days, and this feature was the origin of the name it gave to the Street which links Aldgate with Cornhill and is handed down to the present day.

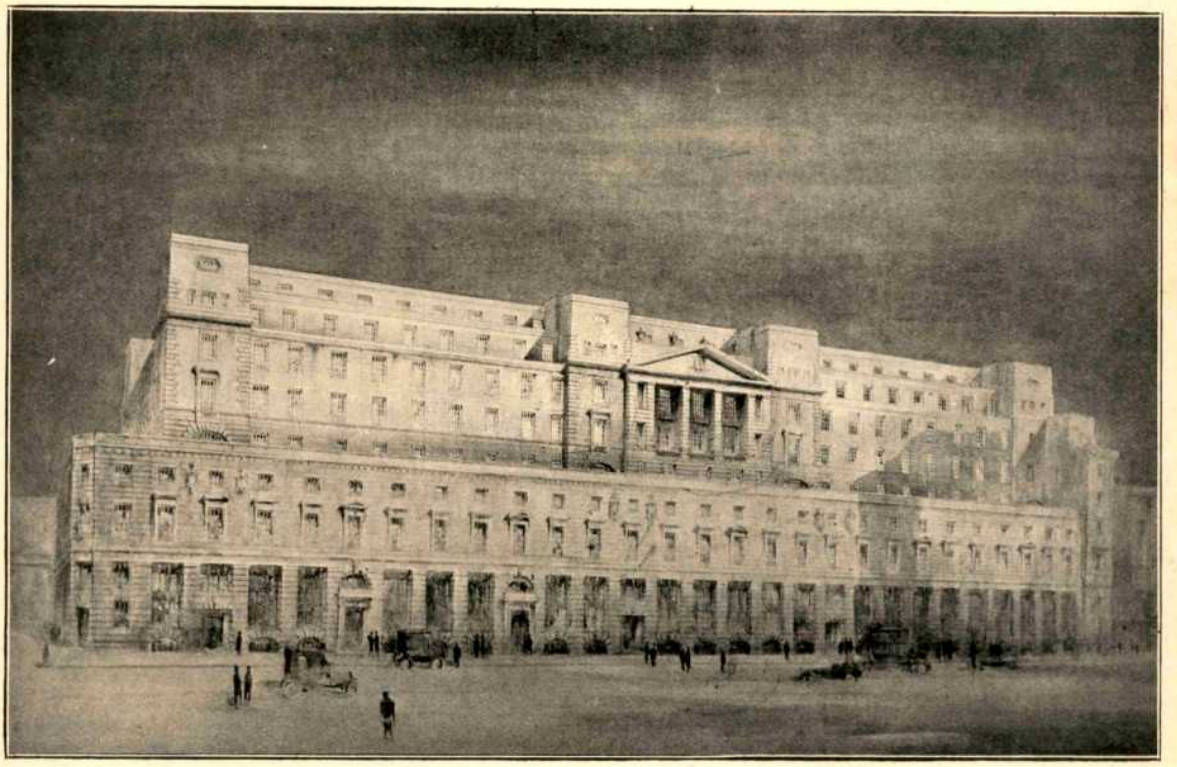
The building is described at some length by the famous Chronicler Stow, who writing in the 15th century says it was then used principally as a Wool Market. On the east side was a Chapel dedicated to the Holy Trinity, both buildings escaped the Great Fire of London in 1666, and the Chapel was not removed until June 1812.

RESIDENTIAL LIME STREET.

The Lime Street part of the site has also honourable traditions, for here in the reign of King Charles II. the penny post was first established.

This part of the City was in favour with the wealthy merchants as a residential locality and during the time of Queen Elizabeth a Mansion was built on the site by Sir Wm. Graven and 100 years later was leased by his descendants together with a tenement in Lime Street to the East India Company at a rental of £100 per annum.

London issued about that time, East India House is shown as part of the site. This was the first of the three Houses occupied on this site by the famous "John Company" as it was popularly known, the last three being demolished in 1854, though the association survived in the thoroughfare from Leadenhall Street to the Market known as East India Avenue. Until its acquisition by Lloyds no one great building has occupied the site since the days made famous by the great Company of Merchant adventurers, the Honourable East India Company. Its glories are now to be revived by its one time ally and contem-



View of Building in Lime Street.

BEGINNINGS OF EAST INDIA CO.

We might mention here that this marked the commencement of a glorious era for Leaden Hall. The East India Company, like Lloyds, had small beginnings, its business being first transacted at the Nag's Head Inn opposite St. Botolph's Church, Bishopsgate Street, but the granting of a charter by Queen Elizabeth on the last day of December in the year A.D. 1600 was the real commencement of its greatness.

AFTER THE GREAT FIRE.

As far as can be ascertained its migration to the House of the Cravens at Leaden Hall was soon after the Great Fire in 1666, as, on the Map of

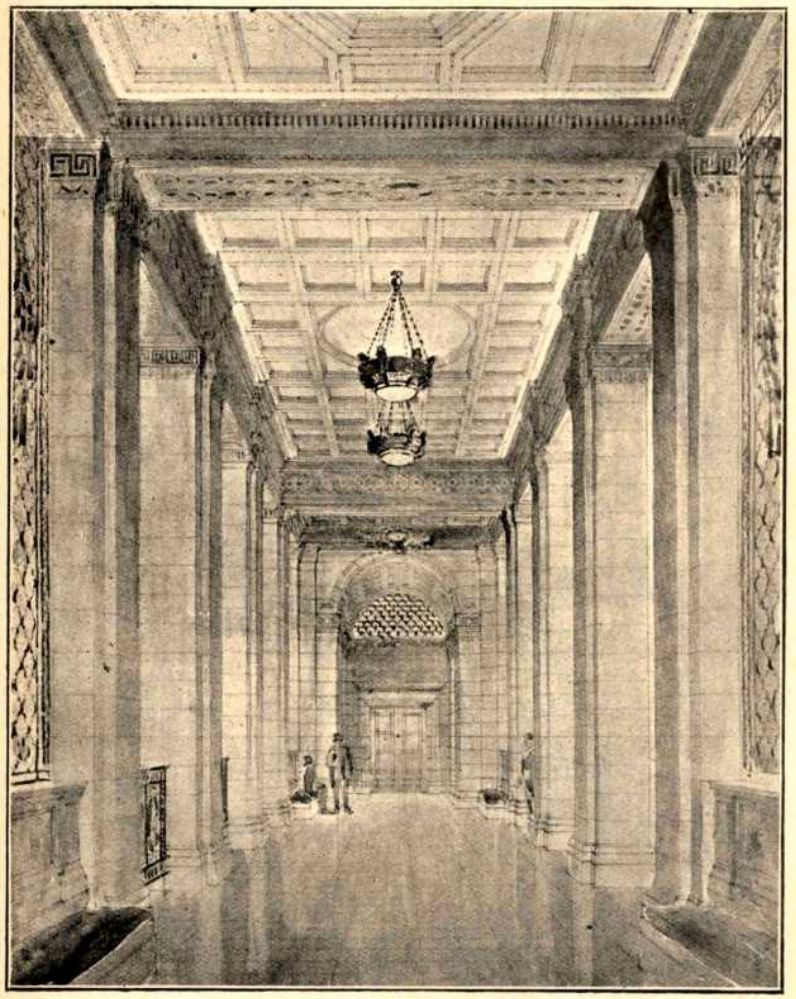
porary, the corporation of Lloyds. Here is to be erected the Temple of Insurance which will surpass all that has gone before, and to this wonderful new home of Lloyds we must now give consideration.

124 YARDS FRONTAGE.

Some idea of the exterior of the Main Block when completed may be obtained from a study of our illustration showing the elevation of the New Building with its frontage to Lime Street of 124 yards.

The style is distinguished, even majestic, in its simplicity of outline, combined with an impressive solidity that grows on one as the full

design is revealed. Mainly in the manner of English Renaissance, the treatment at the ends and centre of the block lighten any appearance of severity and might be inspired by the work of the great Italian Masters of the past. There are two floors in the enormous basement below the pavement level—above which are nine storeys, the upper storeys being set back in two tiers for the purpose of conserving light, but without any detriment to the effect of the whole.



Vestibule to "The Room."

The beauty of the Main Entrance in Leadenhall Street is worthy of its purpose. Rising to a height of nearly 40 feet the treatment is the same as in Lime Street, surmounted by a half domed portico the pediment is embellished by a sculptured group symbolical of the activities of Lloyds.

We understand that branches of two of our leading Banks are to be housed in offices on either side of this great gateway into the new Lloyds. It is in this part of the building that the Chairman, Committee and Secretarial staff of the Corporation of Lloyds will have their new and commodious offices. The Daily Newspaper, the famous "Lloyds List" will be printed in the basement and edited above. The Library and Rooms for use of members will be on the ground floor, whilst extending across the whole width of the block on an upper floor will be the new "Captain's Room," reminiscent of memorable days at the old room at the Royal Exchange, soon to be no more.

A smoking room and lounge communicate with a special dining room for distinguished visitors.

Passing through the entrance gates in Leadenhall Street and traversing a wide corridor some eighty feet in length we enter through doors into a ellithically shaped hall supported by columns and lighted by windows crowned by a shallow dome. We are now standing in the vestibule or ante room to the Great Hall synonomous with "*the Room*" at the present headquarters and doubtless destined to be known by this familiar and treasured name. A sight of the drawings of the "New Room" give one a fine impression of the effect that will be produced when this noble conception is translated into actual fact. Imagine for a moment a complete square measuring 160 feet along each of its four walls, that rise to a height of three storeys of the great building with pillars supporting the dome which lights the interior of the Room.

THE MECCA OF MARITIME INSURANCE.

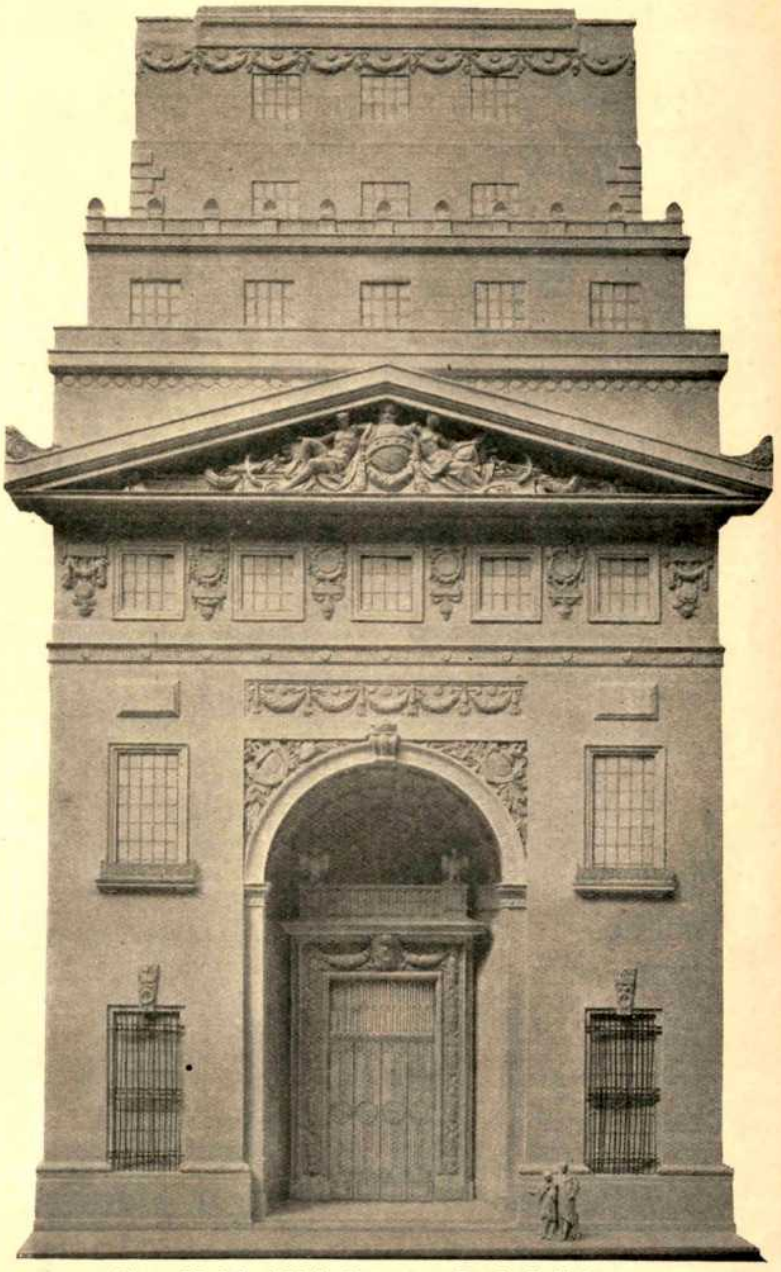
This Hall, destined to be the Mecca of the World of Maritime Insurance, will be one of the coveted sights of London, open only to those with membership of Lloyds, it is probable the citizens of London may invite the Governing Committee to permit a public view day.

The space available in the whole block will be so vast that it can provide accommodation for

practically all the Underwriters, brokers and staffs who make up the membership of Lloyds. Lifts and staircases give speedy access to all parts of the huge building and there will be numerous entrances available for clients and the thousand and one who do business with this throbbing centre of British Commerce. There is yet a story to be told of the earlier work connected with this great undertaking. A vast amount of preliminary work had to be accomplished in demolishing the existing buildings on the site and clearing away and excavating for the necessary foundations. The lowest foundations of the three successive East India Houses were reached at a depth of about 14 feet from the level of the pavement, below which excavations at a greater depth required for the construction of the new buildings revealed a very fine Tesselated pavement, demonstrating its occupation in Roman times. Below this, in the River Gravel, bones were found belonging to the pre-historic period and identified as those of the Mammoth and of the Woolly Rhinoceros, but the most interesting discovery was that of a skull pronounced on no less than an authority than Professor G. Elliot Smith, to belong to a left-handed woman of about 45 years of age, and is the oldest human skull as yet found in London and, with the exception of the Piltdown skull, in Britain.

The unanimous verdict of the numerous distinguished scientists who have examined and classified these remains is that the Corporation of Lloyds will be housed over ground where in bygone ages Neolithic Man and huge Mammalia lived and roamed about. The heavy work necessary in preparing the foundations had sufficiently advanced in the early part of last year, that on 23rd May, 1925, His Majesty the King, accompanied by Queen Mary and Prince George, visited the City, and after receiving an address on behalf of the Corporation of Lloyds proceeded to lay the Foundation Stone of their future home in the presence of a distinguished company of the citizens of London. The Chairman and members of the Corporation of Lloyds acted as hosts and were supported by Mr. Eustace R. Pulbrook, The Lord Mayor, Sheriffs and four Aldermen of the City of London, Members of the Committee of Lloyds, with Sir Edwin Cooper (the Architect), and Mr. George Burt (representing the Contractors).

In his reply to the address, King George re-



From Model of Main Entrance, Leadenhall Street.

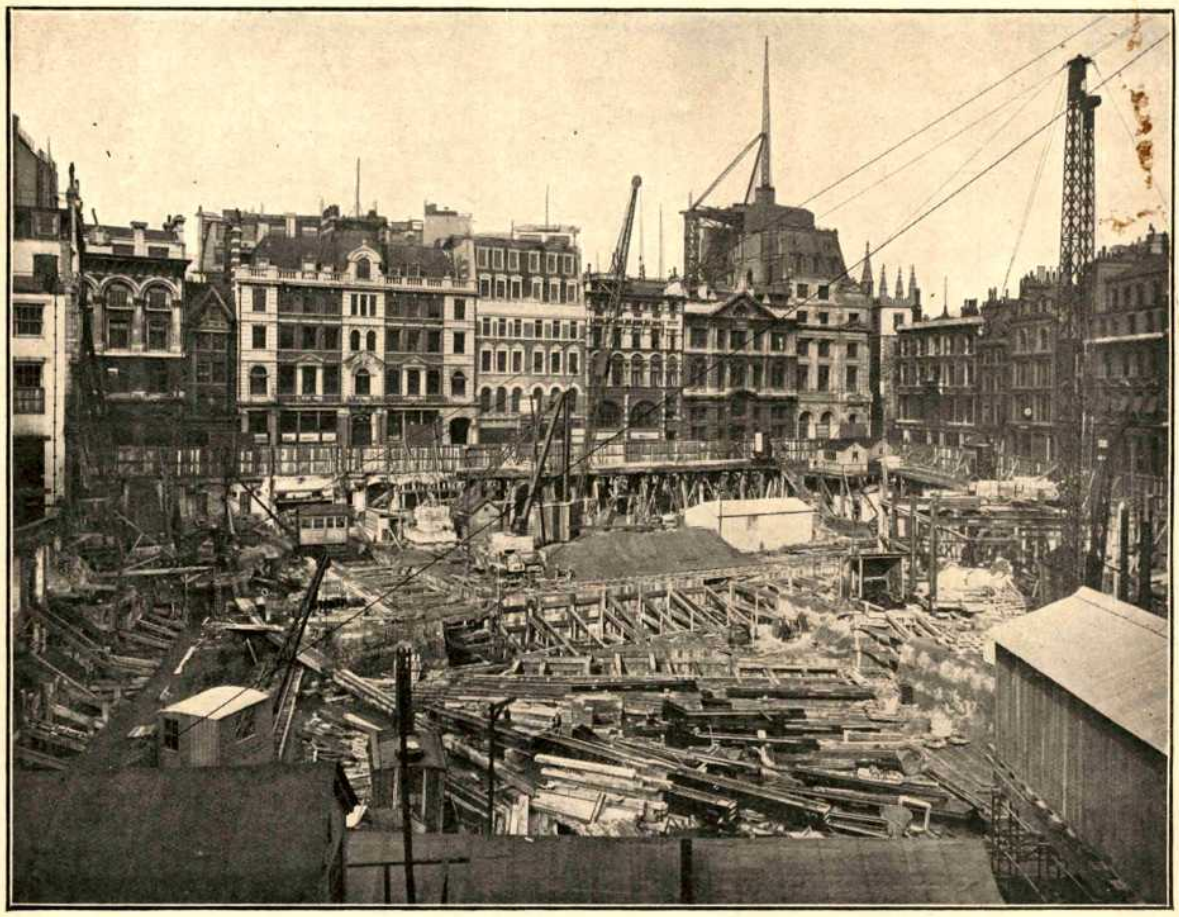
ferred to the extraordinary and romantic evolution of Lloyds from a 17th century Coffee House to a Great Public and international Institution.

THE VALUE OF HIGH AIMS.

He quoted Cromwell's saying that " No one rises so high as he who does not know whither he is going," and said that the principle held good in organisations as well as men and was particularly applicable to the progress of Lloyds, and added these memorable words, " Lloyds policy has never been a one-sided pursuit of gain, but a combination of keenness and efficiency in business with a real deep public spirit.

From that day of happy augury when the King and the great gathering of London's citizens took part in the ceremony of the stone-laying—slowly but surely the super structure of the great building has been rising upwards.

Some hundreds of craftsmen and artificers under the control of the famous contractors, Messrs. John Mowlem & Co., are continuously at work, directed by the master mind of Sir Edwin Cooper.



The Site in the Early Stages, showing Foundations.

No date can be fixed for the completion of this gigantic undertaking, which is estimated to cost one million pounds, but certain it is, in the words of a distinguished writer, " the prestige of the ' Stones of London ' will surround it, uniting the glamour of antiquity to the vital spirit of progress."

British Trade Coming into its Own.

A great opportunity: Old Problems in a new setting: All the time a keener competition.

By THOMAS DIXON.

We have got our opportunity if we can only take it. The World is getting richer. Our prices are coming down. People who appreciate our quality are finding that they are more able to buy. What a moment for us! How mad we shall be if we do not use that opportunity!

SIR PHILIP CUNLIFFE LISTER, President of the Board of Trade, at Manchester.

SIR PHILIP CUNLIFFE LISTER, who in his official position necessarily has his finger constantly on the pulse of the world's commerce, is clearly optimistic on the subject of the long-expected trade revival. But his optimism is qualified by words of wise admonition.

The time of easy access to wealth and prosperity, he remarked, has gone. "There will be old problems in new settings and all the time a keener competition in many lands." None the less, there is an opportunity waiting for us if we care to take it. British goods and British quality are coming into their own again and people who appreciate them are more able to buy.

Sir Philip went on to emphasise the need for team work—working for our side and for ourselves as well, with the side coming first. It is a prime factor of success. Without the team spirit—the spirit of loyal ungrudging devotion to the cause rather than to the selfish interests of the individual—there can be no real, lasting triumph. We want to make an end in our commercial system of the foolish and fantastic notion that the interests of master and man are diametrically opposed: we want to end—we must end—once and for all the sullen hostility and suspicion which springs from that most mistaken belief and paralyses all co-operative energy.

How to overcome the hostility and suspicion which are doing so much to hold back our trade here—we see it at its worst in the disastrous coal dispute which has cost the country three hundred millions—is one of the "old problems in a new setting" to which Sir Philip Cunliffe Lister referred. Overcome it must be if we are to have the "team work" which is essential to success.

A striking corroboration of this essential truth comes from the Notts Coalfield. In the early days of November the Notts miners were raising thirty per cent. more coal per man than they were before the strike. What was the result? Not only were the employers able to grant a bonus of ten per cent.—some firms paid even more—but the selling price of coal at pithead was actually reduced from 55s. to 50s. per ton. A more striking vindication of the possibilities of good team work it would be impossible to find.

SIR PHILIP CUNLIFFE LISTER,
President of the Board of Trade.

Equally important is the full development of personal efficiency. The Notts miners, raising more coal per man, were more efficient and we see the result—better wages and lower prices exactly as every student of commercial science would have foretold with absolute confidence. Just as we must have the team spirit, so we must have every individual working at the highest standard of productive efficiency.

Again, to secure the personal efficiency upon which maximum output must depend we must have that wise, firm, constant control which we call "good management." Labour must be properly directed and adequately equipped; men cannot do good work with inferior tools. Modern scientific methods, the best labour-saving devices, help the individual to reach the maximum of effort.

Among the many labour-saving devices which to-day are helping to raise the standard of personal efficiency the Dictaphone takes the very highest place. Beyond any other device known to the business world, with the possible exception of the telephone, it

Economises time and labour.
Increases personal efficiency.
Helps "team work."
Gives more adequate control.

It is indeed difficult to say in which direction it renders the most valuable service. Regarded merely as a labour-saving device its value is indisputable, both to the person who dictates and to the typist who transcribes. It thus does much to promote personal efficiency and secure a larger output of work. But its value in giving more effective control and thus helping to develop the essential "team work" is unquestionably far greater.

Only with the help of the Dictaphone can the business executive maintain complete control over every detail of every department under his charge. The Dictaphone system provides the only method by which he can deal instantly and completely with every problem as it arises; giving at once the clear, definite, concise instructions which will keep the machine running smoothly. That swift, instantaneous, effective control is one of the greatest factors in securing real efficiency. The Dictaphone makes it possible, helps the business man to keep the entire organisation keyed up to the highest pitch of effort. It is in this way that the Dictaphone helps in the struggle for higher output, and lower costs which alone will enable us to meet the growing competition of rivals at home and abroad.

Here we have the strongest point in the claim of the Dictaphone to be the busy man's best business adjunct. Every hour of every day it is saving him work, saving him time, saving him from worry, helping him to do more himself and to inspire others by his example.

Get to know the Dictaphone. Write or telephone (Regent 1460) to-day to The Secretary, The Dictaphone Co., Ltd., Kingsway House, W.C.2.

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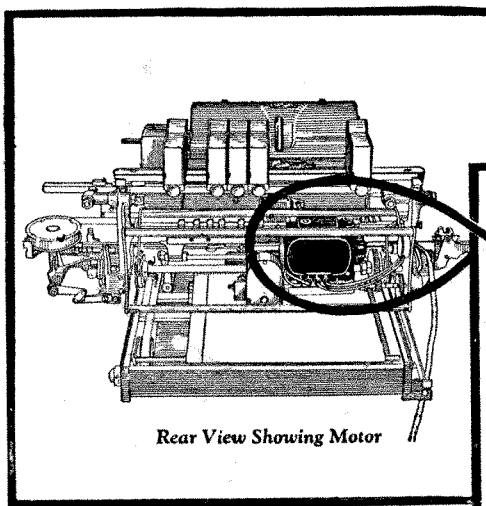

Rear View Showing Motor

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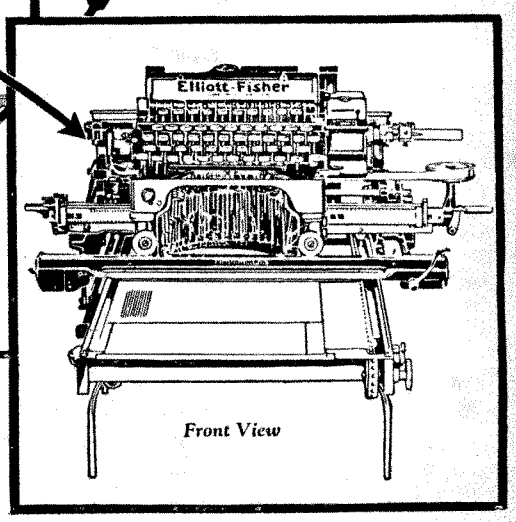

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15. Automatic Alignment of Forms

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Editorial Notes.

The Co-partnership Way Out.

IT is because we believe that Co-partnership represents the most practical and satisfactory method of reconciling the apparently conflicting interests of employers and employed, and therefore of remedying the present deep-rooted dissatisfaction with industrial conditions, that we make no excuse for returning to the discussion of the principle. While the development of co-partnership is still in an experimental stage, we very willingly offer space for the consideration of practical applications of the principle. Only by the full and frank discussion of actual schemes, and by threshing out difficulties and objections as they arise, can a thoroughly satisfactory method, capable of general application, be evolved. Belief in the soundness of the principle does not necessarily imply approval of the details of any particular scheme, which must finally be judged on the results achieved in practice. But nothing but good can come of the careful consideration of every co-partnership proposal seriously advanced.

The New Zealand Scheme Criticised.

HENCE, we welcome the objections made by Dr. Bowie in this issue to the interesting scheme put forward by Messrs. Valder and Harty, and fully described last month. Considered replies to Dr. Bowie's criticisms are also

published, and this method of bringing together both the pros and cons of the controversy will, we hope, commend itself to our readers, and assist them in coming to their own conclusions as to whether this New Zealand scheme of co-partnership is likely to prove of value in this country.

Ripe for a Big Advance.

MEANTIME, it is worth noting that at a luncheon of the Labour Co-partnership Association held at the Holborn Restaurant last month, Mr. Emil Garcke, chairman of the Brush Electrical Co. (a company which has recently introduced its own excellent scheme of co-partnership), said the time was ripe for a big advance in co-partnership, which offered the most practical solution to industrial disputes. Mr. James Sexton, the well-known Labour M.P., said he was surprised that co-partnership did not receive greater support from the working classes. It was probably because there was an ingrained suspicion in the minds of the ordinary workman that an employer had always some ulterior motive.

It is precisely this ingrained suspicion which has to be rooted out, and which experience has proved nothing can remove so effectively, without prejudice to the employer, as a well-considered scheme of co-partnership.

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Statistics as a Commercial Subject.

YOUNG men who aspire to administrative positions in business would be well advised to add to their qualifications a knowledge of statistical method. The day is coming when the company secretary or the accountant will not be considered adequately equipped for his position unless he possesses a practical mastery of statistical technique. Attention was called by Sir Josiah Stamp in the Sidney Ball lecture at Oxford last month to the fact that economics and statistics were in the entrance curriculum of the professions—accountants, bankers, estate agents, and others, and he pleaded that a much greater number of workers should be pressed into the field. With the whole trend of modern business in the direction of industrial combination, statistics will become more than ever indispensable, and the openings for trained statisticians will certainly increase. Though Statistics appears in the examination syllabus of the Incorporated Secretaries' Association, the Society of Accountants and Auditors, the Institute of Cost and Works Accountants, and the Institute of Transport, it is surprising to find that it is not included in that of the Chartered Institute of Secretaries or of the Institute of Bankers. It is not as easy as it should be in London to obtain training in statistics, and the provision of further facilities by the L.C.C. for study of the subject in the evening commercial institutes would be appreciated.

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The Return to Sanity.

THERE is evidence of a return to sanity in the Labour movement, not only in the acute dissensions which have broken out among the leaders, but also in the growing volume of criticism of Trade Union policy which is coming from within the ranks. It is not too much to say that the still small voice of reason is becoming a shout. If this heralds a change of policy no one will rejoice more than those who recognise that Trade Unions are still indispensable to our industrial organisation, with important functions to perform, and that it would be a disaster if foolish leadership succeeded in destroying them.

Need for Collective Bargaining.

IN face of the enormous combinations of capital which exist, and which tend to grow larger almost daily, the need for collective bargaining with employers over questions of wages, hours, and other conditions of service, is more imperative than ever. For Labour to weaken its organisations at the present time by a foolish and desperate resort to direct action as a remedy for temporary depression due to special causes is merely suicidal.

A Tragic Reckoning.

IT is to be hoped that every trade unionist will study the sombre and powerful review of Trade Union policy issued last month by Mr. W. A. Appleton, the secretary of the General Federation of Trade Unions. No such blasting indictment of Labour leadership during the past few years has ever come from any capitalist critic. The tragic balance sheet of the General Strike and the Miners' dispute is well and truly drawn: a million and a half registered unemployed; probably another million out of work; the trade unions themselves involved in a mountain of debt. The appalling percentages of unemployment in the staple trades are shown: iron ore mining, 59 per cent.; steel, 51 per cent.; iron, 64 per cent.; tinplate, 53 per cent.; shipbuilding, 41 per cent.; cotton, 24 per cent.

The Root Question.

ARE we not justified, Mr. Appleton says, in asking whether the Trade Union movement is under any obligation further to sacrifice itself for the Miners' Federation. Moreover, he boldly raises the question whether it is the capitalist system which is really responsible for the industrial chaos and dependency existing in Great Britain, or whether it is the men and women who have failed to exploit it properly. Well may trade unionists ponder the vital problem. In our view Mr. Appleton has performed a signal public service in bringing this fundamental question to the front.

* * *

Profit Sharing with Customers.

AN American firm, the Electric Hose and Rubber Co., has developed the novel method of sharing profits with its customers. At the end of each year's business the total sales and expenses are tabulated, together with the amounts paid stockholders and employees. Twenty-five per cent. of the balance of the profit is divided among the customers. This is very similar to the method practised by our own Co-operative societies, the only difference being that in the latter case the customers are also the shareholders. Some retail businesses, in order to meet the competition of the Co-operative societies, offer their customers a quarterly discount varying from a shilling in the £ upwards on their total purchases, but so far as we are aware, no English manufacturing firm has adopted this American method of trading. Many public companies, however, with large numbers of shareholders, make special efforts to cultivate business with them, and they will be interested in this American development.

* * *

Hire Purchase Trading.

THAT instalment trading is developing with great rapidity in this country is undeniable, and though by some business men the process it watched with apprehension and misgiving, by others it is interpreted as a very encouraging symptom of healthier business. In America opinions are equally divided as to the wisdom of the system, which now admittedly permeates every walk of life. On the one hand it is stated that business men and the banks are gravely concerned over the instalment system, and that the proportion of wages mortgaged to instalment purchases is so high that any fall in wages would create nation-wide confusion. On the other hand, an exhaustive study recently published points out that instalment selling has increased only 7 per cent. between 1923 and 1925, and it is urged that in any case it is essential to add to the existing system for financing production an equally efficient system for financing consumption, and the financing of instalment sales meet requirements.

Overselling the Consumer.

AT the annual National Business Conference this year one prominent business man (Mr. William T. Foster) went so far as to argue that "instalment selling is a good thing for business precisely because it enables dealers to oversell the consumer. . . . Over-stocking dealers' shelves on credit is far different from over-stocking consumers' households on credit. The expansion of credit which results in a net increase in retail sales helps to render harmless for the time being an expansion of credit which results in a net increase of output." The qualification *for the time being* is important. It may be suggested that if and when the inevitable crash does come its effects will be infinitely worse, spread over the whole body of consumers, than if they were restricted to the dealers only. According to Mr. Midgley, the New York correspondent of the *Daily News*, the banks of America estimate that they could clear themselves of instalment assets in a month, but it is admitted that they could only do this by throwing great numbers of important firms into bankruptcy.

Superseding Open Credit.

A SPIRITED defence of hire purchase trading appeared in the *Statist* last month from Mr. J. Gibson Jarvie, managing director of the United Dominions Trust, Ltd., a company which, he says, has financed the distribution of some millions of pounds worth of merchandise under hire purchase contracts within the last seven years. Mr. Jarvie points out that hire purchase has to a considerable extent replaced retail selling on open credit, and in his opinion very much to the advantage of the community.

In open credit it is one thing to state that the debt is payable within a given period, but it is quite another thing to collect the debt within that period, and the merchant who has sold the merchandise has no security beyond the name of his debtor. Under hire purchase, on the contrary, the payment of the debt is not only required on defininte, specified dates, but it has the advantage of being secured, *i.e.*, in the event of default being made according to the terms of the hire purchase agreement, the merchant may repossess his merchandise. This is a strong inducement to the debtor to keep his obligations.

Logic Apart.

MR. JARVIE contends that to talk of hire purchase as credit for consumption is not logical, seeing that it is one of the necessary attributes of hire purchase goods that depreciation should be gradual. For example, he says, a motor car obtained on hire purchase does not lose all its value during the currency of the agreement. This seems to us rather an unfortunate illustration. Few articles depreciate in use so rapidly as a motor car. Moreover, the mere fact of its becoming second-hand immediately reduces its saleable value very considerably. But Mr. Jarvie goes further than this. He maintains that hire purchase is very largely credit for production, inasmuch as in his experience the great majority of transactions deal with products such as machinery and plant equipment which are intended for commercial or industrial use. This is ingenious, and interesting as a commentary on the American theory quoted above, but advocates of hire purchase cannot have it both ways. The system is either credit for consumption or for production. But perhaps they will retort it is both. Logic apart, hire purchase is developing phenomenally here, and expensive articles, hitherto regarded as luxuries, are now bought nonchalantly enough "out of income"—mainly future income, be it noted. The system has now reached a stage when the firm that does not offer facilities for hire purchase must either be in a very strong position indeed, or reconsider its policy.

* * *

Road v. Railway Transport.

IT is well known that motor haulage is now the railways' most serious competitor for goods traffic, but few realise to what an extent this competition has developed. Road transport services now link up most of the great provincial towns, and their activities present a baffling problem to the railway authorities. A rapidly increasing number of firms now own their own fleets of motor lorries, which regularly convey their long distance traffic, recourse to the railways being very rarely necessary. With the anticipated increase in rates, necessary to provide the railways with their standard revenue, road transport competition may be expected to increase. It has been recently pointed out that road transport employees now outnumber the total personnel of the railways! Obviously the revenue outlook for the railways, even with a return to trade prosperity, is obscure, and the position is certainly not free from anxiety. There are ultra pessimists who assert dogmatically that the railways will never pay their way again, but this attitude evidently takes no account of American experience. There the railways, notwithstanding motor transport competition, are now enjoying unprecedented prosperity.

The Road Traffic Problem.

NATURALLY this enormous development of road transport is having its effect on the roads. The returns of the Traffic Census conducted on Class I. roads in August, 1925, have now been issued by the Ministry of Transport, and give striking instances of the remarkable increase in the average daily weight of traffic since the 1922 census. On the Great North Road (A.I.) the daily traffic has increased from 1,552 tons to 3,058 tons, and on the London-Worthing Road from 2,278 to 5,213 tons. The highest average daily weight was found at the census point on the London-Shoeburyness road (A. 13), near the iron bridge over the Lea, where a total of 45,486 tons was recorded over a period of 24 hours per day. The demand for greater durability and permanence in road surfaces is being met mainly by the application of tar and bituminous dressings to water-bound macadam. Some valuable traffic charts and diagrams are included in the Report of the Census, which can be obtained of the Stationery Office for a shilling.

* * *

Coming Events, B.O.M.

IN forthcoming issues, the recently introduced feature—the Woman in Business—will receive considerable attention. Plans are in hand to make this of very practical use to our present and future lady readers. Dr. E. Roberts, Principal of the Women's Correspondence Schools, writes an introductory article in this number, and a very suggestive contribution from his pen will be at the service of our friends. This will be accompanied by other articles of value.

AN interesting development in service commencing in the January issue will be information to purchasers and readers of books. This is the outcome of many queries received. Considerations of space prevented our intention to launch it this month receiving effect. A description of the various book services; advice as to character of books; reviews of convertible value; and much else that will exemplify the spirit of service for which the magazine stands. Mr. Roland Hill's "Theory and Practice of Advertising" (McGraw Hill Co.), will be reviewed at length, together with "England and New Zealand" (Methuen). The third and concluding article on "Lloyd's" which will appear, will exceed in interest those already published.

The Expansion of the Indian Market.

By A SPECIAL CORRESPONDENT ON INDIAN TRADE.

In spite of an ocean of propaganda, there exists deplorable apathy toward trade within the Empire, when the limitless possibilities are considered. Much of it is due, we are convinced, to to lack of detailed and local knowledge. The present article is introductory to a regular series dealing with concrete possibilities. The information will be furnished by those having intimate knowledge of both what is being done, and what is required. India will receive very detailed attention in the first numbers of the series, on account of the development which is taking place, so remarkable as to merit the application of the term—rebuilding.—EDITOR.

GREAT opportunities await the enterprising British manufacturer and trader who is prepared to devote time and energy to a study of the possibilities of the Indian market.

British trade with India was severely curtailed by the war, and recovery has been disappointingly slow. Nevetheless, there are now welcome signs of revival, and with the certainty of cheap cotton—a great bull point for Indian trade—there is growing confidence that next year will witness a very notable increase in the turnover of our trade with the Dominion.

THE NEW MAN: OPPORTUNITIES AND LIMITATIONS.

Complete recovery is hampered by the fact that owing to the appalling mortality of the war, British-Indian trade is now conducted in great measure by men comparatively new to the problems and difficulties involved in catering successfully for the Indian market, and where inexperienced representatives have to assume responsibility, extreme caution is essential if costly mistakes are to be avoided.

But for the man who is willing to learn, and to advertise, " push " and organise with unremitting energy, the rewards are rich indeed.

In a vast empire such as India, with an area of 1,805,332 square miles and a population of 318,942,480, to organise a general distribution of the products of a factory or warehouse is usually beyond the immediate capacity of one entirely new to the market. It is work for the experienced, though the active youngster can lend valuable assistance, and seize his opportunities as they come along. That they will speedily arise is the one thing certain.

A WONDERFUL VETERAN.

There are shippers to be met to-day, still on the active list, who have organised splendid overseas connections—brisk *young* men of 60 to 70 years of age, and one exceptionally alert gentleman who works daily at his West End office is 90! These men are walking encyclopedias of Indian trade, and rank as commercial diplomatists of the first order.

Men such as these can handle overseas general distribution and agencies without bothering Government departments. They know facts little realised in this country, such as that Burma is larger than France, Bombay is the size of Spain, that the United Provinces are as large as Italy, that Hyderabad is as big as Great Britain, that Assam is larger than England and Wales, and so on.

TRADE METHODS TO-DAY AND YESTERDAY.

The antiquated British method of opening up Indian trade was for a manufacturer or factor to write to an Indian merchant—" Tell us what you want, and we will quote you." The reply to inquiries was often " We do not make the goods you want "!; or " If you are in the trade you know what we supply "!; or even, " Call next time you are passing "!

Replies such as these were extremely irritating to a merchant 10,000 miles away, who was anxious to purchase in order to keep his establishment open.

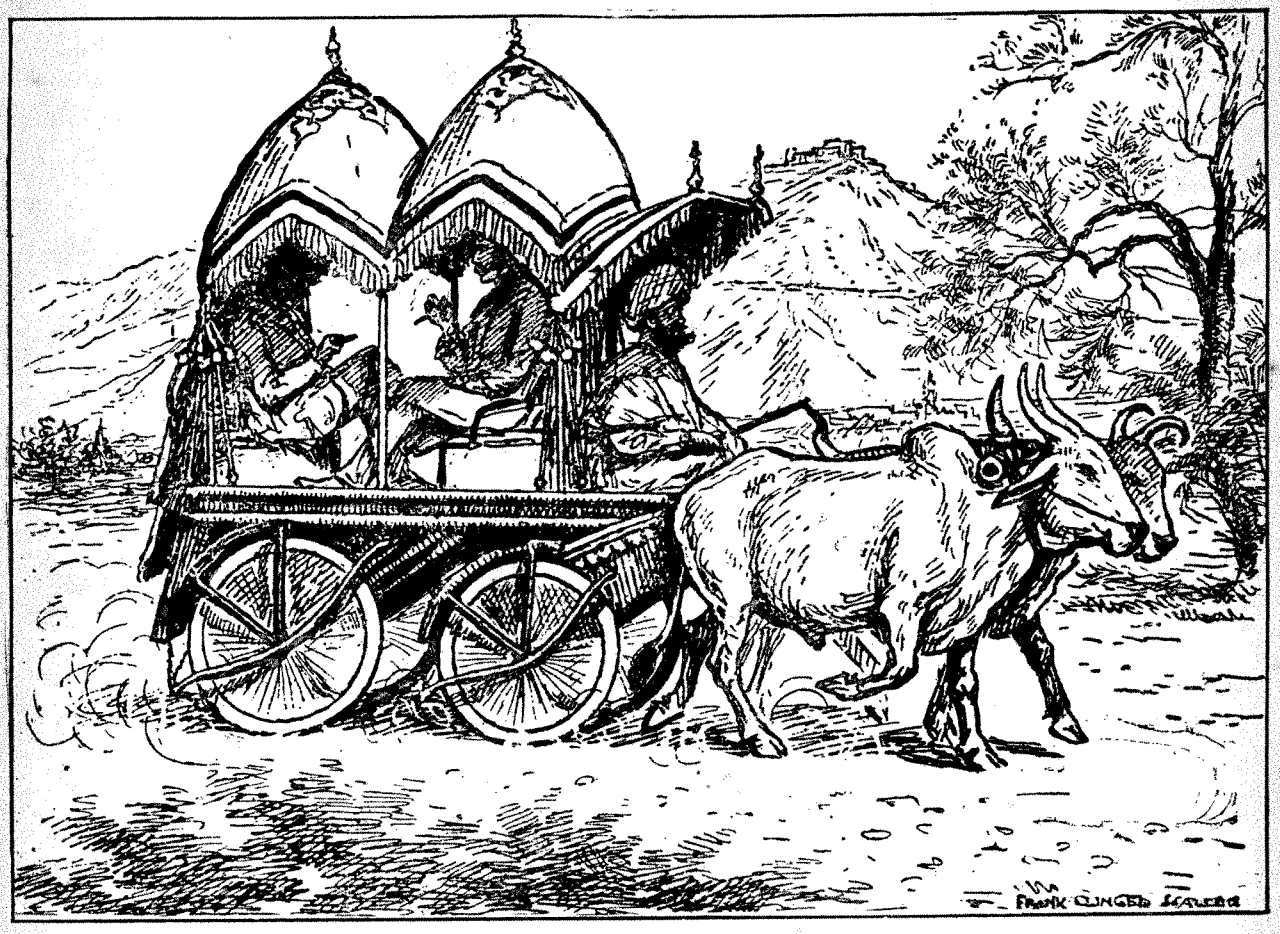
Nowadays, with the assistance of English trade journals and illustrated circulars posted out to India from the supplier's mailing list, the products of a factory or the contents of a warehouse are disclosed to the Indian merchant, who can see at a glance what goods he requires.

An important point that should never be overlooked by traders is that all trade propaganda should be announced and circularised at least six months before the opening of the season for which the goods are intended.

INCREASE OF POSTAL TRADE.

Incidentally, attention should be drawn to the growing use of the post in imports into India. During 1925 postal articles reached Calcutta valued at Rs. 10,028,188; Karachi Rs. 4,789,433; Madras, Rs. 3,838,157; Rangoon, Rs. 2,223,000; and Bombay, Rs. 14,000,399. No less than 77½ per cent. of these articles were posted in the

TRANSPORT IN INDIA—1826.



A " bail-gharry " carried the Political Officer when he was not riding on horseback.

United Kingdom. The use of the parcels post is extending rapidly, as this is a popular means of obtaining from the Mother Country the latest and most fashionable goods.

TRADE STATISTICS.

A few further statistics of British-Indian trade will be of interest. During the official year, April, 1925-March, 1926, the total values of merchandise imported was as follows :

	1925	1924
To Calcutta,	Rs.790,8 84,178	Rs.868,3 03,959
,, Karachi,	Rs.255,8 84,262	Rs.303,3 62,093
,, Madras,	Rs.188,4 62,926	Rs.200,3 29,977
,, Rangoon,	Rs.225,0 75,000	Rs.207,6 87,000
,, Bombay,	Rs.789,3 13,987	Rs.873,7 89,045

(the rupee equals 1s. 6d.)

BRITISH GOODS AND THE PORT OF BOMBAY.

Here is the percentage of trade of the United Kingdom with the port of Bombay during 1925 in varous articles :—Matches .2 per cent, clocks and watches $3\frac{1}{5}$ per cent, fireworks 2 per cent, buttons 6½ per cent, glass and glassware 5½ per cent, silk manufactures 2 per cent, stationery 52 per cent, haberdashery and millinery 36 per cent, tobacco 94½ per cent, paints 78 per cent, soap 93 per cent, chemicals 42½ per cent, drugs and medicines 40½ per cent, liquors 53 per cent, rubber goods 42 per cent, unset precious stones 14 per cent, electrical goods 54 per cent, groceries 27 per cent, artificial silk 31½ per cent, motor cars and motor cycles 34 per cent, railway plant 81½ per cent, cotton manufactures 67½ per cent,

machinery 84 per cent, metals 48½ per cent, cycles 80½ per cent, leather manufactures 78½ per cent, earthenware 42 per cent, toys and games 17 per cent, books 82½ per cent, boots and shoes 70½ per cent, furniture 39 per cent, umbrellas 34 per cent, cutlery 26 per cent, polishes 91 per cent, &c., &c., and so on.

These goods were shipped from the United Kingdom, but the query arises, were they all manufactured here?

THE SWADESHI MOVEMENT.

With advent of the Swadeshi movement, *i.e.*, India to support itself, the competition of local industries has arisen. An indigenous product in India suffers from the want of experienced workmen, technical skill and procedure, modern commercial ability, and until greater progress in these directions has been achieved the Indian manufacturer will often prove little more than a brave artisan struggling with adversity. The brilliant productions of highly skilled nations are at present far superior to competitive Indian manufactures.

INDIA'S EXPORTS.

However, India exports jute, tea, lac, hides and skins, metals and ores, opium, hemp, mica, cotton, oil cakes, manures, dyeing and tanning substances, silk, animals, leather, bristles, tobacco, kapok, saltpetre, oils, spices, wheat, seeds, cotton, rice, barley, mineral oils, etc.

During 1925 Indian merchandise was exported to a value of, from Calcutta, Rs. 1,454,549,487; Karachi, Rs. 349,377,419; Madras, Rs. 436,907,957; Rangoon, Rs. 402,932,000; and Bombay, Rs. 947,380,000.

TRANSPORT IN INDIA—1926.

A Great Indian Peninsula, Bombay, Electric train near Kurla. The main line of the G.I.P. Railway, Bombay, which was opened to Electric traction, as far as Thana, on 1st November, 1926.

INTER-COLONIAL COMPETITION.

Keen competition for Indian trade may be expected from the Colonies. Australia and Canada are particularly active. Of 12,757 motor cars imported into India last year, Canada supplied 4,775 and England 2,390, whilst the United States supplied 4,143, Italy 860, and France 367. The total number of motor vehicles registered in British India up to 31st March, 1926, was 110,664. These figures do not include Native States. With additional steamers running between Colonial ports and Indian ports, there is every indication of the active competition in this direction being intensified. It is often noticed that the " get-up "—packing, labelling, etc.—of Colonial products is brighter and more attractive than that of many British brands. Since the War a new vitality has been apparent in inter-Colonial trading, and this must be countered with first-class organisation at home.

CONCLUSION.

To sum up, it may be said that the organisation of an export department dealing with a variety of commodities of great aggregate value, requires men of ripe experience, such as are to be found in Mincing Lane, and Mark Lane, and at Liverpool, Manchester and Glasgow. Export trade is a life-long study, and the " new " man, however energetic he may be, will not succeed to the full extent unless he is prepared to profit by the wisdom of experience.

Notes of Empire Developments, Building, Engineering Schemes and Projects, Tenders, &c.

(Specially compiled for *Business Organisation.*)

INDIA.

Among tenders being invited are :—

The Acting Agent, Great Indian Peninsula Railway, Bombay. 25 tons tin ingots, 99 per cent. purity; miscellaneous English stores; steelwork for shops and 2 platform roof covers; 200 plates mild steel 10 ft. by 5 ft. by ¼ in. thick, weighing 45 tons; 30 tons pig lead; 600 tons pig iron, etc.; The Controller of Stores, Bombay Port Trust, Mazagon, delivery by 1st April, 1927, 6,000 ft. 2½ in. rubber lined cotton or flax water delivery hose in 50 ft. lengths.

The Stores Superintendent, Gaekwars Baroda State Railways, Goya Gate, Baroda, 1,950 tons rails F.F. 41¼ lbs., etc., 715 tons rails F.F. 30 lbs., etc.

Schemes showing activity :—

The Engineer-in-charge, Allahabad Waterworks, Allahabad.

The Officer-in-charge, Rangoon Water Supply and Hydro Scheme, Rangoon.

The Executive Engineer, Waterworks Project, Central Municipal Office, Calcutta.

The Officer-in-charge, Water Supply Scheme, Halisahar Municipality, Bengal.

The Officer-in-Charge, Filtered Water Scheme, Tamluk Municipality, Bengal.

The Chief Engineer, Irrigation Department, Bengal, Calcutta.

The Officer-in-charge, Bhairal River Scheme, District Board, Jessore, Bengal. Expenditure £265,465, to benefit 335 villages in area of 255 square miles.

The Chief Engineer, King George's Docks Scheme, Calcutta, sanctioned estimate £7,640,000.

The Executive Engineer, Headquarter Works Division, Government Central Offices, Poona, for St. Mary's High School extension, cost £2,380.

Veterinary Hospital, Kolhapur, being built.

Extensive additions to the Presidency College Buildings, Calcutta, including a new Assembly Hall for 800 students.

Underground cables to be laid in Ceylon for 25 trunk lines and 25 telegraph circuits.

Madura Municipality to be electrified.

Suggested sale of Australian fruits in India at cheap prices : storage facilities to be provided by the Indian Government and Indian Railways.

The Bombay Presidency Agricultural Show, at Poona, on 20th October, the greatest agricultural show ever held in Asia, the farming and agricultural implement and machinery exhibits were valued at £300,000. Many British makers' productions were there.

The New District Court at Poona will take six months to erect. The palatial building will cost £160,000. It will be ten times the size of the present Court House.

Engineering projects in Mysore comprise irrigation, roads, buildings, public works, electrical, architecture, agriculture, industries.

Dredging operations in Colombo Harbour cover 643 acres of low water area.

A Bombay factory is producting 150 tons ice per day.

Business and the Law of Agency.

By F. E. SUGDEN, A.C.I.S., F.R.Econ.Soc., *Barrister-at-Law.*

The reputation of a firm is frequently and sometimes almost wholly in the hands of its agents, to be made or marred. Hence, this series of articles giving the law governing the relations of principal and agent will prove of considerable interest and value. The Editor will be pleased to furnish replies to requests for further information within reasonable limits.

A GENERAL resumé has recently been concluded in reference to the Law of Contract. It is now proposed to devote one's attention to the Law of Agency. The expansion of the British Industry has greatly been brought about by the services of skilled agents whose duty has been to represent their principals, that is the person who employs them, in conducting transactions in the world of Commerce. Naturally the all important main topic arises is what is the law governing the relationships thus created between the principal, agent and the world in general or legally commonly termed the third party?

The initial question in such a subject is, what is the legal meaning of the term agency? In the case of Wolff v. Horncastle agency was deemed to exist whenever one person, called the agent, has authority, express or implied, to act on behalf of another, called a principal, *i.e* , a Commercial Firm. Under such circumstances the agent must consent to act.

The thought flashes across one's mind, namely, what is the real practical difference between a servant of a firm and an agent of the same firm? A servant acts under the direct control and supervision of his employer and is bound to conform to all reasonable orders given to him in the course of his employment (Spain v. Arnott), whilst an agent is entirely independent of any control or interference and merely undertakes to produce a specified result, using his own particular methods of business to arrive at such conclusion (Quarman v. Burnett).

Is there any limitation as regards the delegation of a principal's powers to his agent? The law lays down that whatever a person has power to do himself he may do by means of an agent, *e.g* , a partner may employ an agent (to whom no reasonable objection can be taken on the agent undertaking not to use information) to examine partnership books under the Partnership Act. Needless to say an alien enemy and a convict whilst he is serving his sentence is not competent to employ an agent.

The man of commerce next asks himself the question, how is the agent appointed? The agent is appointed by his principal by the latter's express or implied assent or even by the latter's ratification of the agent's acts done on behalf of his alleged principal

Where an agent has to execute a deed, *e.g.*, a conveyance or deed of partnership, this agent must be appointed by deed, such method of appointment is called a power of attorney. Agents acting on behalf of municipal or other non-trading corporations must be appointed under seal unless the agent is appointed to act in matters of trifling importance, of necessary recurrence and matters which admit of little delay .

At this juncture mention should also be made of agents who are appointed because of necessity. Agency of necessity arises whenever a duty is imposed upon a person to act on behalf of another in circumstances of emergency, in order to prevent irreparable injury, *e.g.*, in the case of the carriage of goods by sea when in order to prevent destruction of the ship or cargo, the shipmaster has to take prompt action in excess of his instructions.

Where one person has so acted as to lead the world to believe that he has appointed an agent to act on his behalf this person cannot afterwards repudiate such agency, *e.g.*, in the case of Ward v. Clydesdale Bank Ltd , the bankers were instructed to pay money to customer's brother who was unknown to them on endorsed receipt being

shown, which was stolen, the Court held that the Bank were liable on paying the money to the thief as they were bound to act on the instructions they had undertaken to carry out and to pay the money to the brother only.

Where several principals, *e.g.*, in a partnership, appoint an agent to act on their behalf, it is not necessary for such an agent to account to each of them but only to one of such principals. In the case of Russo-Chinese Bank v. Li Yan Sam it was laid down that where an agent is held out to have have only a limited authority to do acts of a particular class, the principal is not liable for any acts done in excess of such authority.

Many points of difficulty arise as to the scope of an agent's authority, *e.g.*, an estate or house agent authorised to procure a purchaser has no implied authority to enter into a contract of sale; nor has an agent who is authorised to treat with people and to permit them to view property. The implied authority of a factor includes authority subject to special instructions (*a*) to sell in his own name (*b*) to sell on reasonable credit and at such times and price as he may think best for his principal and to receive payment when he has sold in his own name. A factor may be defined as an agent employed to sell goods or merchandise consigned or delivered to him by or for his principal, for a compensation commonly called factorage or commission.

Does custom affect an agent's authority? An agent has an implied authority to act in accordance with the customs of the place where he conducts his business provided the custom does not unreasonably change the nature of the contract of agency. The fact that the agent's principal has no knowledge of such a custom does not affect the agent's implied authority created by custom, *e.g.*, the stockbroker and the customs of the Stock Exchange, the principal is bound by the customs of the Stock Exchange even though he had no knowledge of them.

The vexed question often arises, can an agent delegate his powers or duties to another without his principal's knowledge or consent? The answer is in the negative, because a legal maxim lays down that an agent cannot delegate his powers or duties to another without the consent of his principal, particularly where personal confidence is specially reposed in the agent. Some delegation of authority cannot take place under any circumstances, *e.g.*,, Directors of a Limited Liability Company cannot delegate their authority to the Secretary for the allotment of shares because technically the Directors are purely the agents of the Shareholders. Where no personal skill is necessary by an agent, delegation of an agent's authority is sometimes permissible, *e g.*, where a corporation is empowered to convey property on its own behalf, the corporation has power to appoint an agent to execute the conveyance in accordance with the Law of Property Act 1925, section 74, subsection 4. Delegation of an agent's authority may also take place where such delegation is not expressly forbidden, *e g*, a country Solicitor may employ his London agent who will bind the country Solicitor's client (Griffiths v. Williams).

What is the legal position when a principal knows that the agent must inevitably delegate his authority or even the principal at the time raises no objection? The principal is prevented from raising any legal objection, *e g.*, where an English Builder contracts to build Cotton Mills in Japan including the erection of the necessary machinery the agent was entitled to engage a sub-agent who would consequently be jointly liable along with the orignal agent to the principal.

In case of unforeseen circumstances arising, an agent has power to delegate his authority but the necessity must be an urgent one, *e.g*, in the case of Harris v. Fiat Motors Ltd. it was laid down that the driver and conductor of an omnibus had no implied authority to hand over the driving to another person.

In accordance with the Trustee Act 1925, section 2, subsection 3, the employment by trustees of Bankers and Solicitors for the receipt of moneys and the giving of a discharge is now permitted by statute, but the liability of the Trustee for the acts of these agents will not be obviated if the Trustee leaves trust funds longer in their hands than is reasonably necessary or even does not take all reasonable precautions.

In reference to the employment of a sub-agent the question often arises, to whom must this individual look to for payment? The sub-agent must look to the agent and not to the original principal for payment, *e.g.*, in the case of Hampton v. Glamorgan County Council a builder contracted with the Glamorgan County Council to build a school in accordance with the specifications and directions of the council's architect for £13,600. The specification contained certain

provisional items, including the following:— "Provide the sum of £450 for a low pressure heating apparatus." A hot water engineer submitted a scheme to the architect for the heating of the school for £391, and by the direction of the architect this scheme was accepted by the builder. During the progress of the work the builder paid to the engineer £200 on account, but he was unable to pay the balance. In an action by the engineer against the council as building owners for payment of the balance of his account the Court held upon the construction of the building contract, that the builder was to erect the school for a lump sum, including, if required, the heating apparatus up to a cost of £450, and that the builder, in employing a specialist to put up the heating apparatus, was acting as a principal and not as the agent of the building owners; and therefore the action failed.

If an agent does act outside the scope of the authority vested in him by his principal, can the latter subsequently ratify or adopt the acts of the former under such circumstances? The principal may by his subsequent conduct ratify the acts of the agent and make the acts as effective as if the principal had previously authorised them.

What are the conditions of ratification? The first essential is that the agent shall not be acting for himself, but shall intend to bind a named or ascertained principal and one who is actually in existence at the time when the act is done, *e.g.*, in the case of Rutherford v. Ounan, Ounan purchased sheep from Rutherford in a market and gave a bill for the price of the same; Ounan resided with his mother on her farm and there was some evidence that he was in the habit of buying and selling cattle for her, but he had not on any previous occasion purchased on credit as her agent. The bill was dishonoured on maturity, Rutherford thereupon sued Ounan and Ounan's mother for the price of the sheep The jury decided that Ounan had made a purchase on behalf of Ounan's mother and with her authority and also found by the evidence that Ounan intended the goods for himself and therefore made Ounan and his mother both liable to Rutherford, but on appeal to a higher Court the decision was reversed.

A contract made by one professing to act on his own behalf though at the time he has the intention of giving the benefit of the contract to an undisclosed principal, cannot be ratified by that person so as to give him the status of principal and the right to sue on the contract unless in some way the principal's name was used in the first instance. (Drughorn Ltd. v. Rederiaktrebolaget Trans-Atlantic).

It is most essential that the intended principal must be in existence before he can effectively ratify a contract, the supposed principal must also be capable of entering into a contract at the time, *e.g.*, in Clinton's claim in reference to the National Motor-Coach Company Limited, the Court laid down that the mere fact that a promotor pays the registration fees and ad valorem stamp duty on the registration of a company does not in itself entitle the promotor to recover the fees, etc. from the company because a company cannot ratify any contract which was made before the company had corporate existence. At this juncture the question that is inevitably asked is, how can the promoter protect himself under such circumstances? If a promoter desires to secure property for the benefit of a company about to be formed, he should make a contract with the vendor of the property in his (the promoter's) personal capacity and have a proviso inserted in the contract that if the property is not acquired by the company within say six months of the date of the present contract, the property shall automatically revert to the original vendor and the amount of the purchase price returned to the promoter who has previously purchased the property.

The law lays down that if there is no principal there can be no agency, and the so-called agent will himself be liable personally on the contract.

When a contract is made by one who professes to be making it as an agent but who has no principal existing at the time, the so-called agent is presumed to have intended to bind himself unless a contrary intention clearly appears from the terms of the contract and a projected company subsequently incorporated cannot relieve the alleged agent from his personal liability. Even a secretary who has paid for his qualification, under an agreement with promoters, on the basis of a term appointment and salary, can only in such a case recover against the company for work actually done.

(To be continued.)

Why Trade Outlook is Bright.

Pessimists who Leave Out the Biggest Factors in their Gloomy Calculations.

By OUR FINANCIAL EDITOR.

A FEATURE of the present time is the great public interest in trade questions. There is a deep reason for the interesting fact that in newspaper columns discussions on how to regain prosperity are replacing the sensational details of somebody-or-other's divorce or Mr. So-and-So's political quarrel. Necessity is pressing upon us; and even the Splash Press is beginning to feel, what has always been true, that a nation's first task is to earn its bread and butter. Was it not Mr. Bernard Shaw who pointed out that Ruskin began his literary career with writings on purely artistic questions but had to tackle economic problems later, because they are fundamental to our existence? After six years of great industrial depression the British public is learning the same truth. What matters politics, finance, art, sport or jazz if the sands are running low for our industries?

The danger in these discussions of trade is pessimism. Pessimism to-day is widespread. There are economists who urge us to review our conceptions of Britain's place in world trade and to acknowledge that we cannot re-establish the pre-war standard. The days of our great supremacy, they fear, are gone. These men tell us to cut down our foreign loans, to concentrate our industries by cutting out some part of their plant, to restrict our needs so as to diminish our imports. Britain was once the workshop of the world; but now, they say, the other countries who used to buy from us have set up their own workshops and do not need so much from ours How reasonable it all sounds! None the less, it is sheer pessimism.

But, such economists say, look at the facts: Is not Japan gaining part of our cotton trade by increasing her machinery and working 120 hours a week where ours is not able to work 40 hours a week in mills that compete with Japan? Has not France, owing to the war, become a great industrial as well as a great agricultural nation? Does not America fulfil all the conditions, except for one or two commodities, of a country that is self-supporting and determined to keep the foreigner and his products out? Is not Russia permanently a smaller purchaser in the world's markets? Must not Germany not only make for herself but flood the world with her exports in order to pay reparations? And having enumerated these and other formidable difficulties, the pessimists claim to have proved that it is only commonsense to face the truth—that is, accept the view that our place in the sun, as far as trade is concerned, is less than in the days that are gone.

FORGETTING SHAKESPEARE.

I always enjoy running over the arithmetic and calculations of the pessimists because one finds so many things that are not there, to use a paradox. And things which are too shy to be present, are just those which matter and which justify the wildest optimism. I once read a History of England which succeeded in never mentioning Shakespeare from cover to cover. The unexpected result was that I thought of the poet much more intently than if a chapter had been given to him. So in reading the calculations of pessimistic economists one grows acutely aware of some very big things they are overlooking. Let us follow their advice and look at the facts.

For the moment many things appear to be on the side of the pessimists when they say that Britain's customers are buying less from her. In 1914 in the first nine months of the year we sold to our foreign customers £350,749,000 of goods made here, while in the first nine months of this year we have sold £495,945,000 When we consider the altered value of goods we see that on the prices current to-day we ought to have sold somewhere about £560,000,000 of goods in those nine months in order to keep on a footing with pre-war. Clearly we have dropped back there. Moreover in the same period we imported about £380,00,000 more than in the first nine months of 1914. So that we have been taking in too much and disposing of too little in our foreign trade. The "adverse" balance grows against this country as far as this exchange of goods with the rest of the world goes. Of course, we pay for the surplus of imports in some way. British capital invested abroad in loans or in rubber plantations or in mines; British services in insurance, shipping,

banking and finance; these help pay for the imports that are not covered in the exchange of goods; and no one yet has found an accurate method of saying what is their real value in the balance of accounts. But I am bold enough myself to believe that—although in the war we sold back to America £1,000,000,00 of our investments and also contracted an American debt—they bring in more in 1926 than they did in 1914.

THE WORLD'S NEEDS.

The pessimist does more than state the above somewhat unpleasant adverse balance on visible items—that is, on the exchange of goods. He contends that it is likely to be permanent and even to grow. He says we must not expect to raise our exports to equality with pre-war The reason he gives is that the world has become more independent of Britain since the war and can now build its own machinery and spin and manufacture its own textiles, and that it is doing so and will continue to do so in increasing volume. Consequently, he asks us to recognise facts and asks us to cut down our imports (one way, he suggests, is decreasing our loans to other countries) to reorganise our industries on a smaller scale and concentrate on building up a greater home consumption.

How reasonable it all sounds! But the pessimist is like the historian who forgot Shakespeare. The big thing he leaves out is the growth of the world's population and the conveying of the goods of civilisation to those peoples which have never yet had them or have too few of them. Take a single example—clothing. Does anybody imagine for a moment that everybody in advanced countries, let alone semi-civilised and uncivilised countries, there is anything like enough clothing or enough machinery to make it? Why, the world is a limitless market. The inadequately clothed proportion of civilised countries are so large as to absorb more than the whole output of the world's machinery if some means can be found to clothe them. The problem is not to cut down your machinery—and this applies to other industries than the textile ones—but to find a means to enable the populations to use and enjoy its products. America in the last five years has to a large extent solved this problem for itself—not always in a healthy way. Europe and the other parts of the civilised world are still wrestling with it.

SOLUTION OF THE PROBLEM.

I should hate to shirk mentioning a solution after indicating the great reason for optimism in the immense variety of the world's needs. Goods can only be distributed by means of money. The reason trade has been so bad in recent years has been very largely due to currency troubles; appreciation of the pound, depreciation of the franc and so forth. But bad harvests of such valuable raw materials as cotton, wheat, vegetables in the years immediately succeeding the war played a big part in the matter also. In consequence, customers everywhere could not buy to suit their needs but must buy to meet their purses. In some countries, like Italy, Belgium and France and Germany in the inflation days, money was of little value for actual purchase of goods abroad, while the goods of these countries were cheap for the foreign buyer. So that Britain for five years saw its trade hit by dearness of its raw materials from scarcity (again I cite cotton from 1919 to 1924) and by the fact that, owing to the high value of the £ sterling in the terms of most other currencies, what we had to sell was dear to the foreigner. If anyone who has had a cheap holi- war holiday in France or Belgium will just for a moment imagine how exorbitantly dear a holiday in England would necessarily look to his French or Belgian host, he will see the force of what I mean. We have been a very dear market and people do not buy in dear markets if they can help it. Hence our low exports and our unemployment. But I spoke of a solution. The solution is now working itself out in part; depreciated currencies are getting on to a stable platform and fortunately we have had three moderately good world harvests. The other part of the solution is cheap production and a free flow of credit from our banking system all through trade. As most of these things are in being, or possible by wise control, trade can look on its limitless markets and advance confidently to revival as soon as our coal industry is restored to peace.

SOME STOCK EXCHANGE POINTS.

Most of the investment hints given in this article during the past three months have turned out unusually well. There have been no high-fliers among them. They have had a moderate capital appreciation, based upon absolutely sound intrinsic merit rather than share market vagaries. Often investors do not understand this difference. For instance, three years ago in investment reviews published in a daily paper I was repeatedly warning investors not to have anything at all to do with British Controlled Oilfields Common Shares at the price they then stood at, namely, 12/-. This advice being addresed to *investors* was based on the real value of the shares which in turn was based on the company's properties and operations. To *speculators* I said that some groups of people were buying the shares heavily and would force the market price up. When the shares reached 24/- a reader reproached me for giving him a

feeling of uncertainty when his own judgment said " Buy." A little while ago when they had dropped to 5/- each he wrote again to apologise for his reproaches and to say that he had no doubt at all that had he bought the shares in the first instance he would have clung to them until he was landed in a loss. Let us then be clear. A good *investment* hint (outside gilt-edged) is based on a company's good trade position and outlook. A good speculative limit may be based on nothing more than share market operations or it may be a guess that a company is going to give away or receive a plum.

This month I do not know of much in either line which has not already been mentioned here. The new Belgian loan seven per cents. at up to 102 to 104 are a good investment, both for capital appreciation within limits and for yield. Carrick Caterers Ordinary fully paid 10/- shares at up to 12/- are a good buy for speculative appreciation and should be sound from the investment point of view. United Railways of Havana will very likely go a few points above 70 before February next. I am still favourable to Harland and Wolff 6 per cent. Preference, which have risen since I first recommended them, and should buy up to 17/6 for the long shot.

The New Spirit in Retail Selling.

Value of the Creative Saleswoman.

By Dr. E. ROBERTS.

IT is an illustration of the growing appreciation by business men of the value of women in business, that the Editor of a journal published for commercial directors and executives should open his columns to discussion of questions affecting the entry and training of women personnel.

In Retail Distribution the subject is of special importance.

Women and girls have for some years formed a large percentage of retail sales staffs and executive positions have been successfully filled by saleswomen of long experience or, occasionally, exceptional ability.

But the improvement in modern merchandising methods, and the changing social values since the war, have attracted to the retail field the educated woman who enters business not because of the temporary necessity of earning a living but to make a career or provide a means of independence.

This career movement is inevitable amongst the well-educated middle classes and, if properly directed, produces a clear-headed, capable type of business girl with an innate suitability for retail work. The modern store, building on a basis of courteous and intelligent service, finds in this class the high standard of character and education it must have in its sales staff.

The vital difference in this admittedly fine type is that she becomes a saleswoman as a means to an end, as part of her practical education, with the avowed object of rising to a responsible position.

Such girls, eager and responsive to the personal element in business, are very frequently magnificent saleswomen when trained, and are an asset in selling that has quickly been recognised by the large stores gifted with imagination.

Unfortunately, the great majority of traders, while realising the sales value of these girls, have neither the opportunity nor the facilities to attract and train them to be first-class saleswomen. Here is the difficulty.

On the one hand, the right type of woman demanding a career with opportunity, is wanted and encouraged in the biggest and widest industry of all time. On the other, to enter a shop without either experience of the trade concerned or selling knowledge, involves submission to an obsolete system of trade apprenticeship which, with few exceptions, relies upon time to produce trade knowledge, chance to make good saleswomen, and luck to realise personal ambition.

Sound *creative* saleswomen are not often made that way—but mediocre shop assistants are as plentiful as clerks in the city.

In consequence, when the rewards of success are as great, and the life as attractive, as in the many forms of retail management, the girl with the brains and courage of her type looks to preparation, to training—that is, to acquire knowledge to smooth her way in entering her chosen career and to guide her progress

The success of her method is evident in every modern store where good service is increasing sales.

The Taming of Death Valley.

THE ROMANCE OF ITS BORAX DEPOSITS.

By HAROLD SHEPSTONE, F.R.G.S.

How the terrible climatic conditions of Death Valley—an excessively hot and dreary spot in the heart of America's greatest desert, whence come large supplies of Borax, or Borate of Lime—have been surmounted by the daring, skill, and organising abilities of competent miners and engineers.

AMONG the great achievements of modern times the conquest of Death Valley is deserving of special mention. It not only calls attention to this extraordinary region, but to the romance of its unique industry. To-day its precious product, borate of lime, is being obtained by the latest scientific methods, and the great difficulty of transporting the product from the mines over the alkali plains to the outside world has been overcome by the erection of an ingenious railway. Now, with a view to attracting competent workers to this inhospitable region, a great modern community building, which probably has no parallel anywhere, has been reared on the very brink of the valley, in the heart of the world's most desolate desert.

Death Valley is an arid, sunken plain in California, so named after a party of immigrants who lost their lives there in 1849. It is approximately about ten miles in length. The approach to the hills that enclose it is across terrible desert country. The valley itself is probably the most treacherous and malignant spot on the globe.

THE HOTTEST SPOT ON EARTH.

It is often referred to as the hottest spot on earth. The temperature is certainly furnace-like, and its maximum of 160 degrees Fahrenheit has never been equalled elsewhere. In summer 140 degrees is common, and at midnight the mercury hovers to 120 degrees. So hot does the earth become in August, that a rock or a bit of iron scorches the naked hand like a live coal.

Furthermore, it is sunk like a huge pit far below the level of the sea. It is scurfed and scabbed like a leper with blotches of alkali; it is at once a desert and a swamp; it is a region where beds of lakes are found on the pointed peaks of mountains. It is swept with sandstorms that no one can face for long, and it is sown with the bones of men it has slain.

Yet from this most inhospitable region, where death always looks one in the face, men have wrested vast fortunes, and its sides are scarred with crude timber erections—shafts and shanties denoting the presence of a borax mill or mine. The two principal ones are the Amargosa Borax Deposit and the Monte Blance Mine, and experts declare that they are capable of supplying the world with borax indefinitely.

But a more dreary spot than the situation of these mines could scarcely be imagined. Until recently they were remote from the railway, and the conveyance of the product to the nearest railway station presented almost insurmountable difficulties. It meant journeys of several days' duration with tractor, horse, or mule teams.

A ROMANTIC STORY.

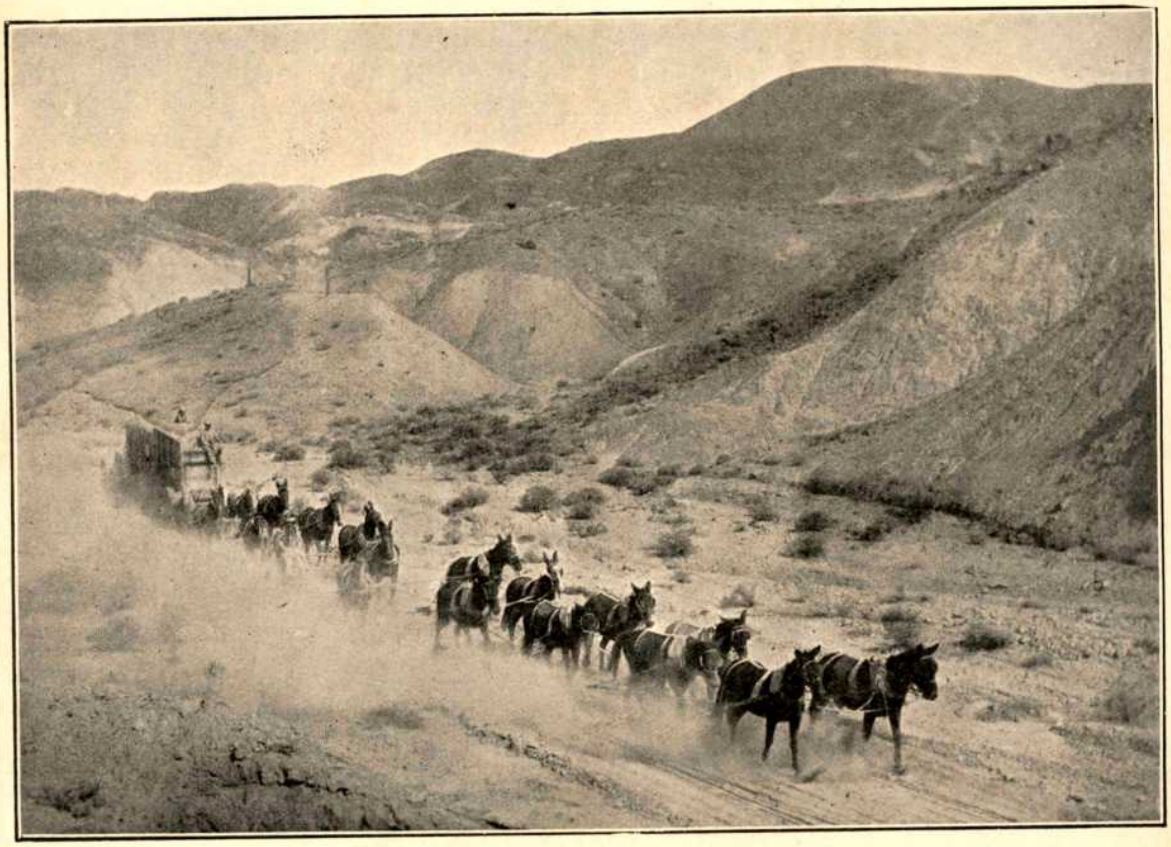
Although borate deposits were discovered in the deserts of California and Nevada as far back as 1856, it was not till 1880 that the commodity was first located in Death Valley. It is certainly a romantic story. In a valley known as Ash Meadows, just east of Death Valley, was a tule-thatched stone cabin of a single room, the home of one Aaron Winters and his wife, Rosie—a home two hundred long desert miles from the nearest settlement. Winters was a desert Arab, one of those strange men whose impulse seems to be to get as far from human habitation as it is possible to get. A little bunch-grass supported a few head of cattle; about the stone cabin was a patch of garden and an artificial pond fed by a spring. The only neighbours were stray Piute Indians and occasionally a wandering prospector.

It was one of these, stopping overnight at the stone cabin, who talked to Aaron about borax, and told him that if borax were mixed with certain chemicals it would burn with a bluish flame.

The prospector set Aaron thinking about some strange, whitish deposits he had seen in that hell-pit to the west. At length, taking Rosie, his

wife, he made the four-hundred-mile trip after the necessary chemical about which the prospector had told him, and they went over into the valley. As the story runs, it was late at night when they reached the spot. Hastily gathering some of the substance that formed a deposit on the ground, Aaron, with trembling fingers, poured on his chemical and touched a match. The far coyotes were startled by his cry, "She burns blue; by heaven, she burns blue!"

Less than a month later Winters was awed by a payment of £5,000 for his claim, and shortly afterwards borax works in Death Valley were established.



One of the famous twenty-mule teams of early days that made possible the present development.
p. 148.
[From Block produced by Central Process Engraving Works.

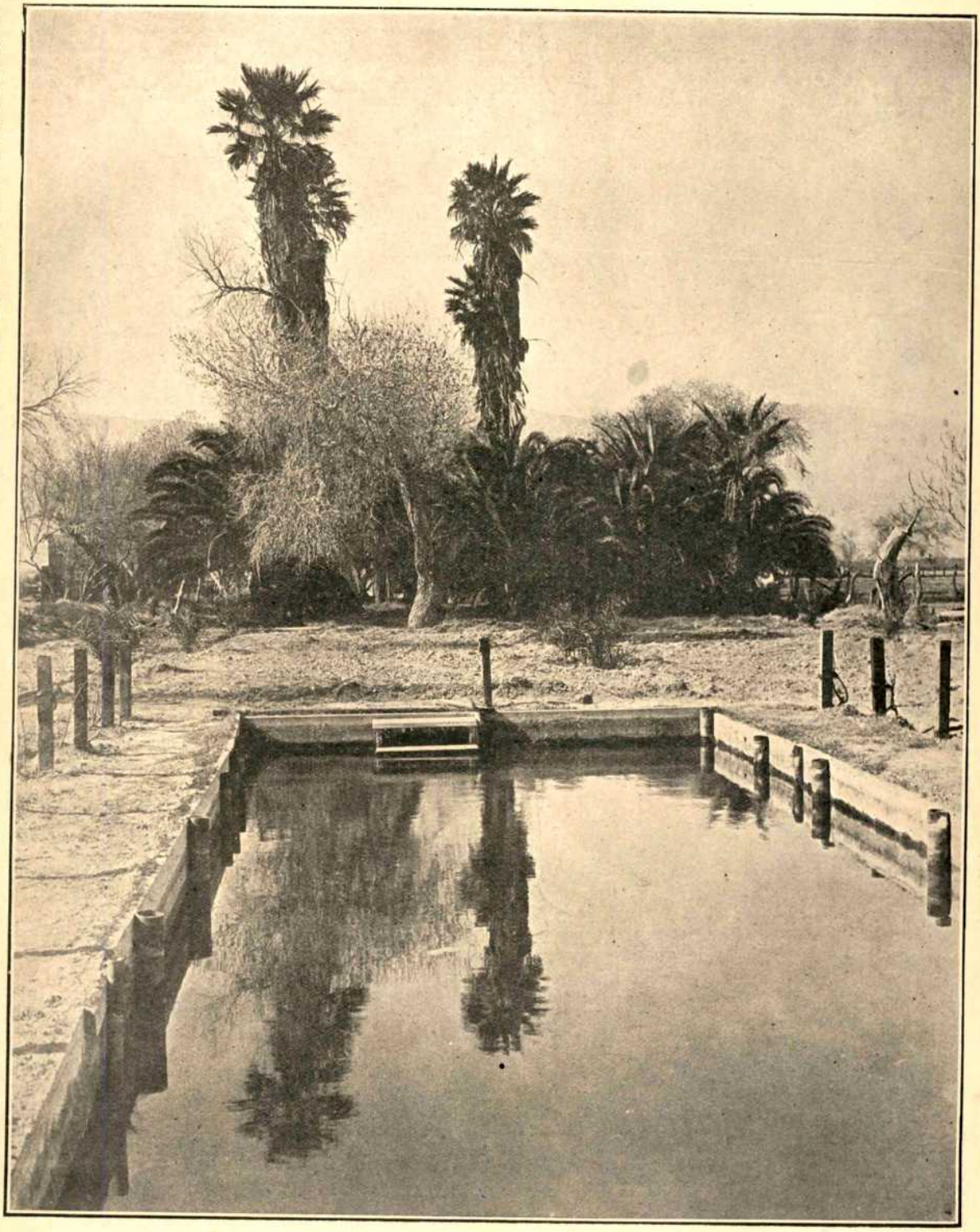
A WHITE HELL.

There was water to be had from Furnace Creek, and a small oasis was formed, but all about was a white hell. Imagine a place where men habitually slept in the running water with their heads resting on stones in order to escape from the heat! Few workmen could stand this earthly Sheol more than a month or two. Some of them died of the heat, simply lying in their beds in the bunk-house. Many went insane. Many were killed in fights brought on by the condition of nerves that the heat engendered. Fancy a spot where a writing-desk, brought in over the Mohave, curled, split, and fell to pieces in a few days. Meat killed at night and cooked shortly thereafter was spoiled by nine next morning. A handkerchief dipped in water and then held up to the sun dried in one and a half seconds!

The news that borax was being successfully worked in Death Valley quickly spread, and prospectors hurried to the inhospitable region. Other mines were opened, but the largest and most successful to-day are those mentioned.

THE TRANSPORT DIFFICULTY.

The miners' greatest difficulty was that of transport. It was one hundred and sixty-five miles to the nearest railway station at Mohave, and for many years the journey was performed by mules or horses. The wagons used were the largest ever made. They cost £200 apiece, and were dragged by a team of sixteen to twenty animals, or even more.



The Water Pool in Furnace Creek. The only spot in Death Valley where water was found.
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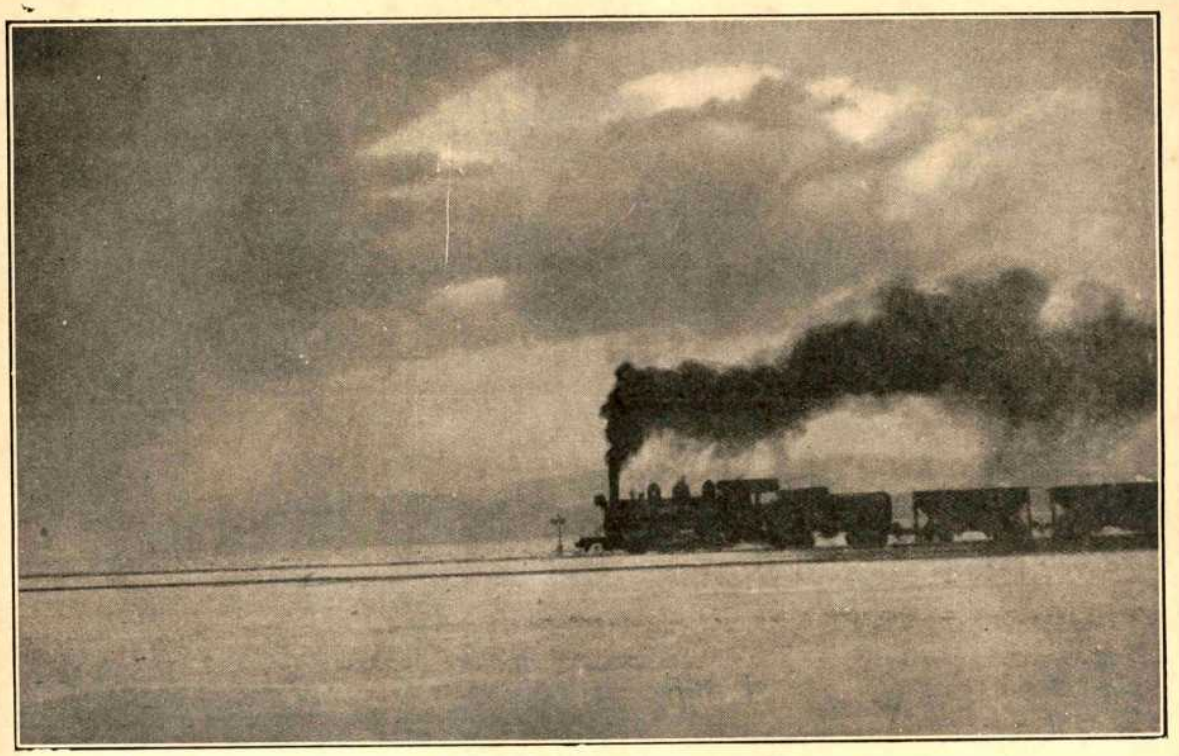


WHEN FORCES OF MAN AND NATURE MEET ON THE WASTELANDS.

[From Block produced by Central Process Engraving Works

This remarkable photo of a Death Valley borax train encountering a wild sand blast was taken at midday on the Amargosa Desert in Eastern California. The dust was moving at astonishing speed, and in a solid sheet that resembled a yellow blanket spread between earth and sky. Two seconds after the camera shutter snapped it was impossible to see a dozen feet in any direction. It is not unusual for these gales to last for hours and sometimes trains must halt until they have spent their fury.

These teams brought fame to themselves and the mysterious desert pit. The full story of the romance and the tragedy that attended these indomitable commercial caravans through the hottest spot on the globe never can be written. Swirling sands blotted it out from day to day. But these simple carriers made good.

The creaking wagons and the plodding mules proved themselves extraordinarily efficient in making delivery many weary miles over the burning alkali waste to the nearest railway-station, and aided materially in the making of a world civilisation. If "cleanliness is next to godliness," they were a boon to humanity, for the cleansing agency they made available polished more than one continent. But the hardship, the downright misery, suffered by the beasts and drivers is beyond the comprehension of dwellers in blessed places of brooks and shade and tempered breezes.

As a rule the animals lasted but a short time. In the early days there were often stand-up fights with Indians, robbers, and tramps, while many men died of thirst or went insane for want of water. A large proportion of the teamsters, however, once inured to the life, jogged forth and back through the blinding white dust for years and years, and for most of them it became a shroud after the race was run.

A DESOLATE REGION.

To live in the weird silence, grey and sombre, between the Funeral Range and the Panamints, is to die there. The "desert rat" does not leave, because he cannot be content elsewhere. A few of the old-time drivers survive. The climate has the virtue of being exceedingly healthful for those who can stand it.

The tugging strings of muleflesh drew their unwieldy loads on wretched trails, ever changing—the deep gashes cut in hideous hills by cloudbursts, the rough wash and the treacherous salt marsh, where bottom is an uncertainty. In one place an eight-mile stretch of road, six feet wide was built across a solid reach of salt and

graded exclusively with sledge-hammers. The action of heat and moisture from below had forced up salt pinnacles hard as rock, two or three feet high and countless, and these had to be hammered down. This road is unlike any other. It facilitated hauling, but it was cruel to hoofs. Sloping down to this salt artery are several wide fields of borate of soda. The main and better deposits are higher up, which was a factor of consequence to the four-legged "locomotives."

THE COMING OF STEAM TRANSPORT.

When progress demanded more expeditious service mules were superseded by steam, a slow yet sure and heavy tractor of the upright type drawing laden trailers to railhead. The Piute Indians, Arabs of Inyo, called this contrivance "fire-devil," and for months they would not venture within a hundred yards of the smoking, hissing monster. In the more torrid season the crews suffered terribly, and a man on one of the wagons died with a canteen of water in his hand.

In front of the boiler a cold-water tank was ingeniously anchored on the tractor. The water in it never was long cold. In a few hours it would become so heated from the sun's rays that it had to be uncovered. Frequently it was pumped into the boiler practically at the steam-producing stage. Here probably is the one spot on the globe where it would be possible to instal a steam-power plant and operate it without artificial heat.

BRITISH ENTERPRISE TAKES A HAND.

Such were the conditions under which the teamsters and miners toiled until the Pacific Coast Borax Company and other subsidiary concerns decided it was time, in view of the ever-increasing demand for the precious product and the necessity of attracting skilled workers, that practical steps be taken to overcome the climatic terrors of the region. Here it may be added that British capital came to the assistance of the com-

Death Valley Junction's great Spanish-Indian "civic centre," a man-built marvel in the desert's desolate heart.

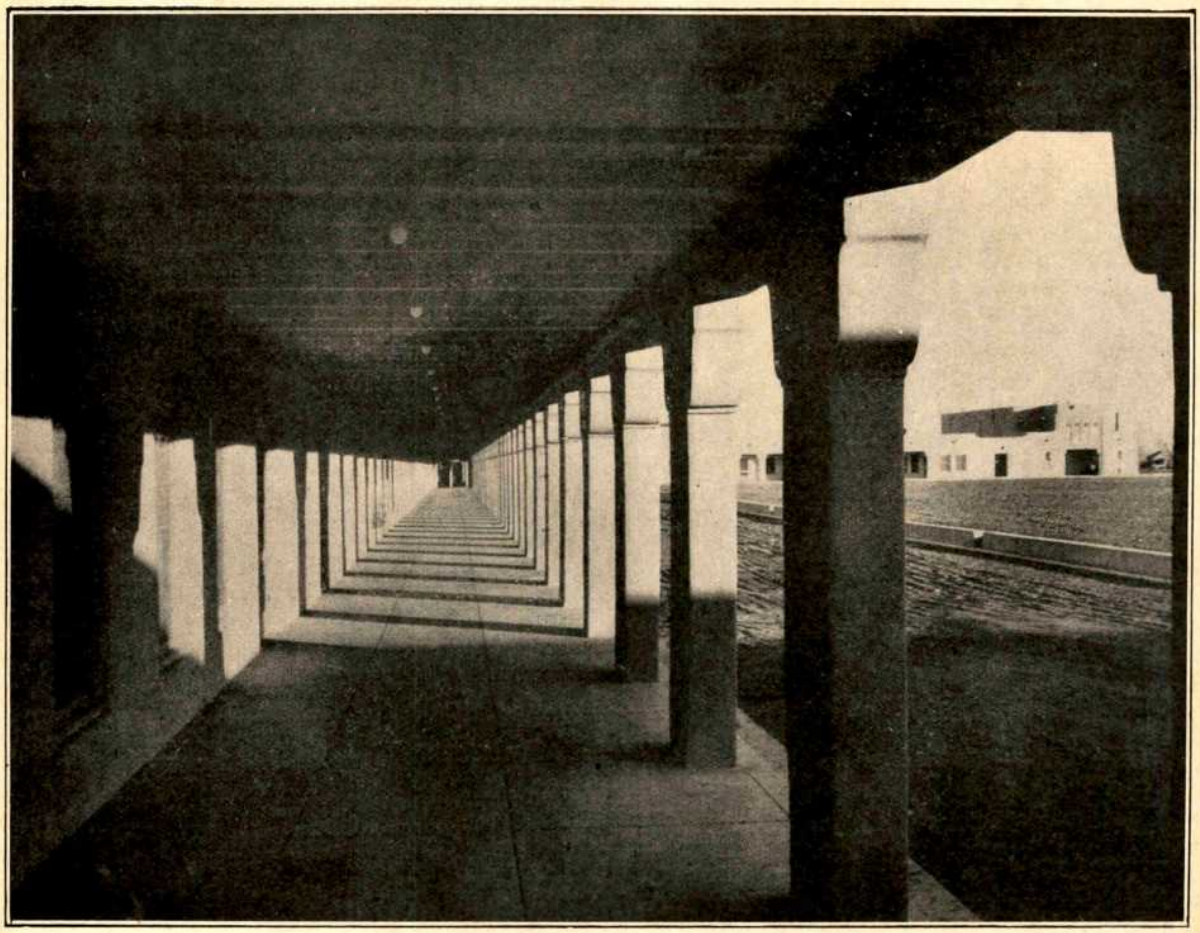
[From Block produced by Central Process Engraving Works

pany controlling these enterprises, so that it can in truth be said that it is largely due to British foresight and initiative that the terrors of Death Valley have been overcome.

First came the construction of the Death Valley railroad, linking the principal mines with Los Angeles and the outside world. Its conception was a daring piece of engineering work, and called for the spanning of great openings by elaborate trestle-work. Then, on the very brink of the dreaded valley, right in the heart of the desolate desert, there has arisen a wonderful civic centre known as Death Valley Junction. Here the narrow-gauge borax line from the sink connects with the main railway. Here calcining works have been established, where the ore, as it comes from the mines, is roasted and concentrated before it is despatched to the refineries at Los Angeles.

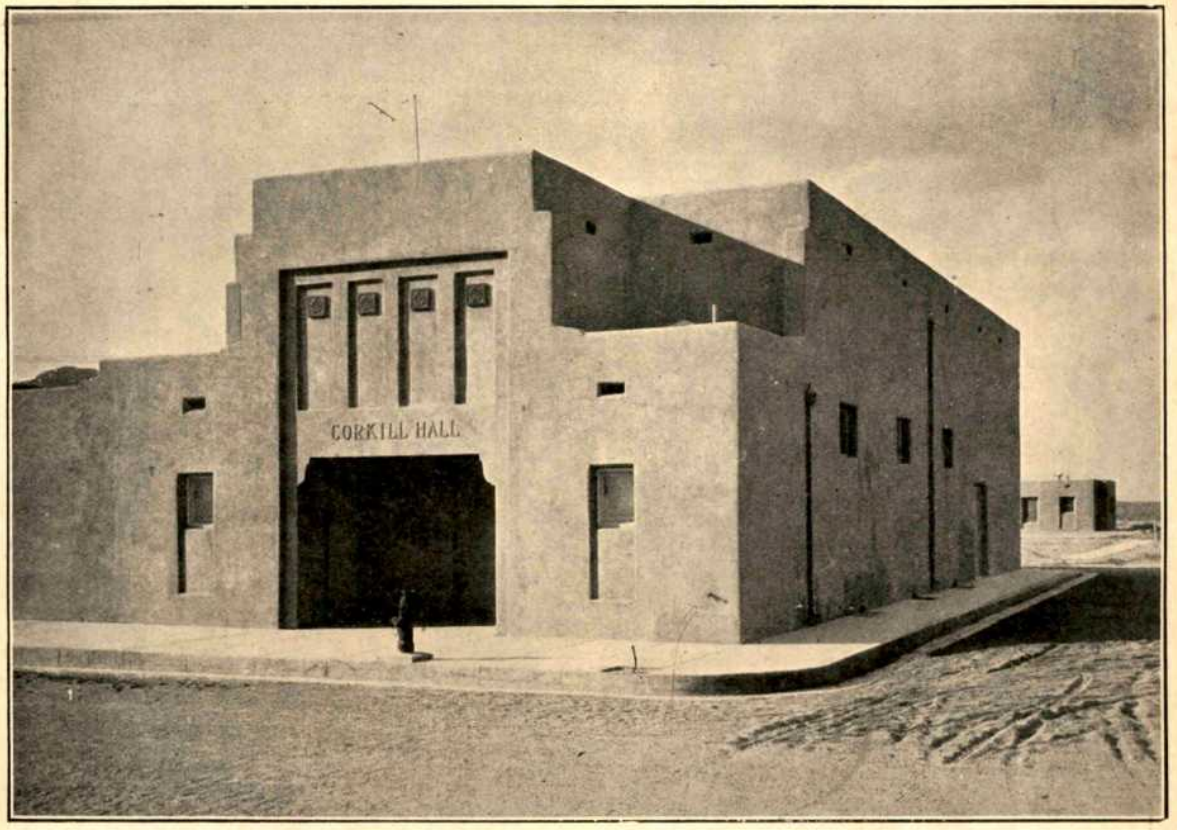
HOUSING THE DESERT CAMP.

The community at this novel " camp " in the desert numbers about 250 souls, and the elaborate and costly arrangements which have been made to accommodate them in the heart of a terrible desert are deserving of the highest praise. There is an adobe structure of Indian-Spanish design built in the form of a hollow square with a two-acre court, covering 70,000 square feet of space. The great building is 816 feet long, and boasts of two wings each 198 feet in length. Here are over two hundred bedrooms, fitted with every modern convenience—lavatories, bathrooms, and a gymnasium. There is a dining hall capable of seating two hundred, a billiard hall, library, lunch-counter, and an ice-parlour. There is also a hospital and operating-room, with surgeon and nurses always in attendance, a theatre named after Mr. Corkhill, the popular general manager of the mines, a general store, and post-office.



This beautiful arcade, tinted a delicate blue within, is eleven ft. wide and more than a tenth of a mile long. Before it is a two-acre Court.

[From Block produced by Central Process Engraving Works.



Death Valley's model theatre, film and legitimate, named after the General Manager, Mr. Corkill.
[From Block produced by Central Process Engraving Works.

ADOBE.

The walls of this great community dwelling are uniformly sixteen inches thick, plastered with cement and coated with stucco. The foundations and floors are of concrete. The main material—adobe—was dug on the spot and made into bricks by Mexicans. The bricks were 18 by 12 by 4 inches, and 125,000 were required. Adobe has been proved by temperature tests to be the most non-conductive building material known. It has stood the test of time since history was written on papyrus, and of it Nineveh was built.

A PERSONAL EXPERIENCE.

When the writer visited Death Valley Junction last autumn, the thermometer registered 120 degrees in the shade seventy-five feet from the main building. Yet in the bedrooms the thermometer stood at 89 degrees. This is accomplished by passing air through them sucked through water sprays. In addition to this edifice there is the residence of the superintendent, and cottages for employees with families. Not only have the company sought to provide the best and most attractive accommodation possible in the heart of a terribly hot region, but all necessaries and comforts may be had at virtually cost price. Board—and the meals are above criticism—is charged at the rate of five shillings a day, and the price of a dormitory room is a pound a month.

EXTRACTING THE BORATE.

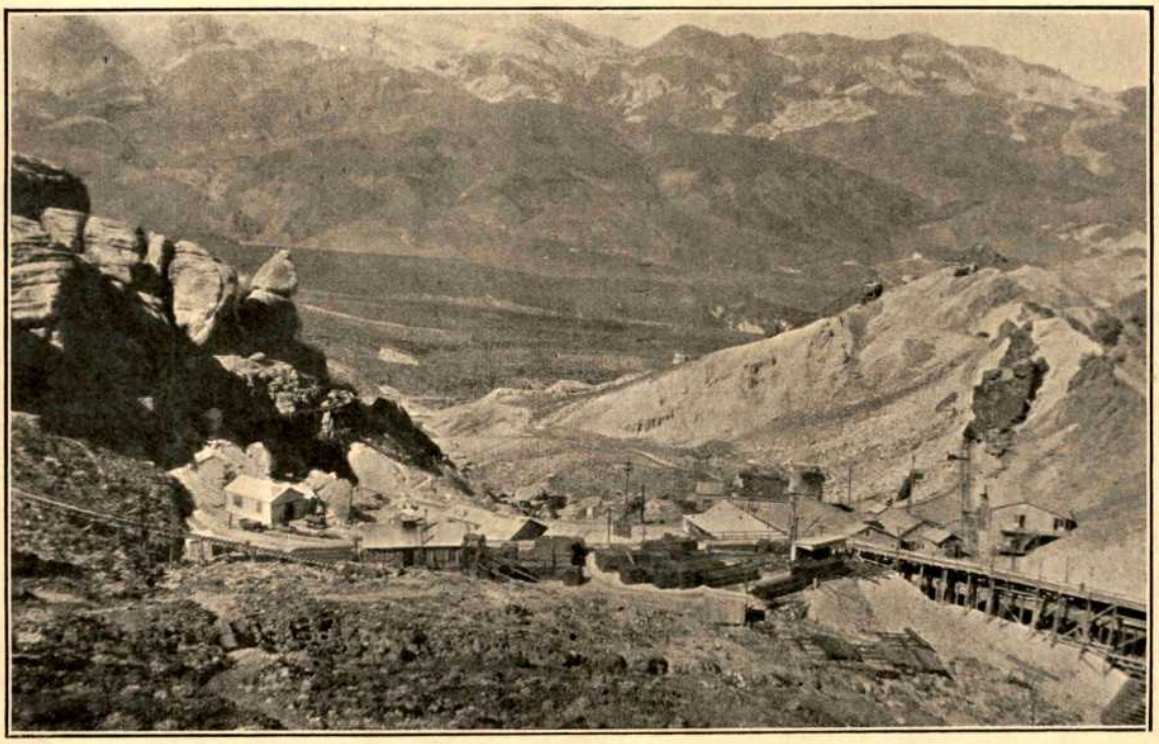
The borate is extracted at the mines by the latest machinery in much the same way as quartz : it is found in strata, as well as in chambers sometimes as large as a house. Shafts are driven right into the deposits, irrespective of distance, and by means of drills the crude borate is obtained. It is extracted in lumps. These are conveyed in trucks to the shaft's mouth and transferred to the mills in buckets, which run in an endless cable. Here it is ground to the fineness of flour by passing first through rock rollers and then through rolls-burr stones. It is then, with a small proportion of carbonate of soda, thrown into a digester, where, under heat, pressure, and agitation, all impurities are sepa-

rated and removed. The liquor, which is nothing less than borax in solution, is then drawn off into tanks, and the borax allowed to crystallise by attaching itself to steel rods and hooks, looking for all the world like great sticks of rock candy.

The output of the Death Valley mines to-day amounts to about 120,000 tons, and its value is about two and a half million dollars, or £500,000. In this country the retail price of borax to-day is about 6d. per lb.

THE WORLD'S GREATEST CLEANSER.

It can be said of borax that it is the world's greatest cleanser, while it is also true to say that it is a great healer. The uses to which it is being put are continually increasing. Its largest use is in making enamel coatings for wire and steelware. It also finds large application in the glass industry, in the laundry, and in the kitchen. It is a convenient water-softener, and is found in starches designed to give a high gloss. It is used as a coating for book-paper and playing-cards, and as a solvent for shellac finds extensive application in the hat trade. In tanning, both borax and boric acid are used for cleaning hides and dressing the leather. In the textile industry borax assists in dyeing; while boric acid is found to be the most effective and least harmful food preservative. It is permitted in the salting of fish, because such foods are soaked in water before cooking and most of the boric acid removed. Being an antiseptic, boric acid is employed for external washes, and it finds a place in cosmetics. It is used as a larvacide, where it is recommended for the destruction of fly larvæ in manures, for it destroys without affecting the bacteria which increase the fertilising value of the manure. Finally, borax is a well-known flux used in metal working.



Tpyical Borax Mine in Death Valley.

[From Block produced by Central Process Engraving Works.

"The Human Factor in Industry."

By SIR ROBERT HUTCHINSON, M.P.

Great progress in salving the Health of the people has been made by both collective and individual activity but much remains to be done, if only that medical science is never static. The discoveries of a decade are rendered obsolete knowledge by those of that which follows it. The necessity for, and value of the application of this knowledge in our works is explained by the Author

SINCE the War much has been said about the tremendous need for increased production. We have, however, not only to ensure a greater output in industry, but at the same time, be able to guarantee that the workers shall have increased facilities for a greater measure of health and comfort.

Some months ago, in conjunction with the Ministry of Health, an institution known as the Industrial Research and Fatigue Board carried on in Britain an extensive investigation into the relations of the hours of labour and of other conditions of employment, including methods of work, having regard both for industrial efficiency and the preservation of health amongst the workers. Their main duty was to initiate, organise, and promote investigations in different industries with a view to finding out the most pauses, and any other conditions applicable to the nature of the work and the various classes of workers.

"THERE IS NO WEALTH BUT LIFE."

This, it will be readily admitted, is a step forward in the right direction, and should play a part, not only in helping to stabilise industry, but also to bring more social order out of present-day industrial unrest. To acquire the industrial efficiency that our modern world demands, much more attention must be paid to the health of the favourable hours of labour, spells of work, rest workers. As Ruskin says: "There is no wealth but Life," and it is essential to industrial wealth and its vast responsibilities, that a healthy life should be ensured to the millions of workers daily engaged in industry . . . even if that protection has to come from Government oversight, and if necessary some measure of State-control.

SOME ESSENTIAL THINGS.

One of the greatest essentials to remember in output is that the workers themselves are not machines. Many regrettable mistakes have been made in the past through this thoughtless neglect and disregard of the human element in industry. We still need to take a much broader outlook, a saner and more human view of the daily task as to create contrasts in work and status in the work and life of the nation. Even the question of wages is secondary to the insistent demand on the works' part to be recognised as a man and not a machine To perpetuate any system which makes workers merely producing machines spells an unhealthy trade and enfeebled workers It fosters discontent, class hatred, and in the end—an inevitable result—a greatly diminished output. If we are quickly to emerge out of much of the present industrial strife it is certain that we shall have to pay still greater attention to the mental and physical well-being of the workers and show them that they are a living part of Industry, as such indispensable, working as individuals, understanding the process and object of their labours, their brains working with their hands. This changed frame of mind, if we can achieve it, will do more to increase output and ensure health to all classes of workers than any number of Acts of Parliament, which after all will never get rid of the fuundamental trouble . . . the great need still further to humanise industry, and establish a true co-partnership between capital and labour.

"THE RHYTHM OF WORK."

The rate at which all work can be performed by the human organism, as the length of time during which said work can be continued without

undue fatigue, is dependent, in no small degree, upon what can be called the "rhythm of work." It has been proved that continuous work, that is in the sense of continuous muscular energy, is impossible, except for a short period of time. This brings us to the desirability, if we are to safeguard health and consequently obtain increased output, of properly organising our work, instituting proper shifts, thus giving ample time both for work and rest. These repeated spells of work and rest are termed by the Industrial Research Board as " rhythm " The universal adoption of this system would mean a still greater step forward.

CAUSES OF SHORT OUTPUT.

Too little attention in the past has been paid to the subject of fatigue. Short output is due to many causes, in certain cases of malice aforeto many causes, in certain cases of malice aforeand often to the fact that no attention whatever is paid to the conditions of labour and the alleviation of fatigue Now fatigue falls under three classes, and if we want to be technical they are termed, subjective, objective, and static, all of which have to be studied in relation to the general health of the worker. For instance, in " subjective " fatigue the actual wear and tear of the body begins to play a defensive role and gives ample warning of the coming of physical depletion " Objective " fatigue is more easily discernable, and is usually manifested at the end of a monotonous day. " Static " fatigue is due to the prolonged fixation and immobility of certain groups of muscles, such as prolonged standing or sitting, or even stooping. All these three forms of fatigue can be remedied by paying due attention to rhythm in work, and by so organising the daily task of the workers, giving them a better action as will give relief to the monotonous duties and bring into use the other muscles or organs of the body, and as often as possible the mind

THE FEAR OF " LOSING THE JOB."

Another thing to be considered is continuity of employment and its relation to health and output. A worker who is in constant fear of losing his or her job is obviously incapable of doing their best work and giving it undivided attention. There is a great temptation to *slow down* and delay the coming discharge. Not only does this state of affairs create an unhealthy worker, mentally and physically, but it is a heavy blow at industrial output. Unemployment insurance and the consequent knowledge that there is at any rate some provision for bad times will do much to alleviate if not cure this disease.

ECONOMIC VALUE OF WELFARE WORK.

No factory or workshop to-day should exist without its welfare commitee. It pays to guarantee the worker decent meals, comfortable housing and even a measure of amusement during the working day. I am glad to know that already many hundreds of employers have appointed a whole-time official to look after the welfare of their employees—not to act as a busybody or arbitrarily to interfere with men's lives or leisure—but to give an organised lead in sport, games and recreation.

VALUE OF PERSONAL CONTACT.

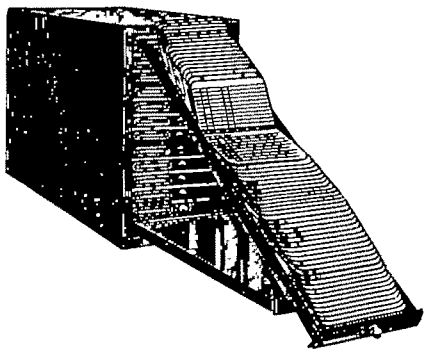
We want to re-establish the personal touch wherever possible between employers and employed. One of the gravest defects of the huge commercial undertaking to-day is that the old relationship of the employer and his worker has disappeared. This in many cases was a true cooperation carrying with it a mutual interest in one another and often establishing life-long relationships of the best kind.

SUPERVISION—CONTENTMENT—OUTPUT.

The character of the Foreman or Manager and the way that he exercises his authority is, of course, of the utmost importance to the efficiency and subsequent output of any factory, and reacts generally upon the whole well-being of the workers under his charge. For increased output you must have contentment, and this is largely a matter of human supervision, which means that work is made human and possibly interesting and enjoyable.

HEALTH AND OUTPUT.

Health and increased output are inseparable. They grow together. An athlete trains for his task and knows that his success depends entirely upon his fitness. If the nation wants the workers to do a bigger job and greatly increase their output, then the nation must see to it that the health of the workers is preserved, and we must realise that money spent on Health is a real insurance for the commercial prosperity of our country.



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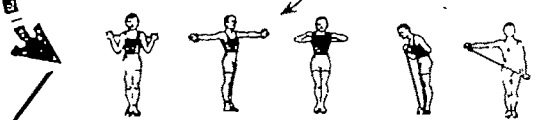

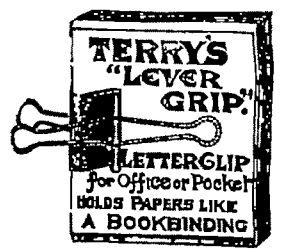

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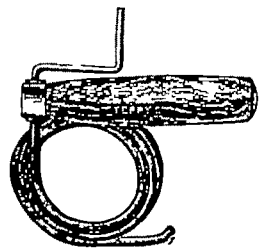

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"Success Qualities."

III.—ACCURACY.

By F. J. LAMBERT, A.C.I.S., Cert.A.I.B.

This is the third of a series of articles which has been written for the benefit of ambitious young men by a business man with extensive experience of staff management, in an attempt to set forth clearly and practically, the qualities which are essential to success in commerce.—EDITOR.

GENIUS has been defined as an infinite capacity for taking pains. This may not be a complete definition, for undoubtedly genius is often the result of flashes of inspiration and of brilliant intuition and imagination, but it is nevertheless a profound truth that, to a great extent, outstanding ability is the product of a capacity for consistently applying the mind to things which are in themselves of small consequence but which in the aggregate are of vital import.

VALUE OF ATTENTION TO DETAIL.

In chemistry and medicine, discoveries which have relieved the sufferings of untold thousands throughout the whole world are the fruit of long continued, persevering experiments in unseen laboratories by quiet men with a capacity for taking pains. Similarly in commerce great developments have again and again been rendered possible solely by inventions, which have been the result of painstaking observation of detail, as for instance the invention of Bessemer steel and the discovery of coal tar dyes.

All this serves to emphasise the vast importance of paying attention to detail, and it applies with equal force to the world of business. The *emphasis* is necessary because there is always a temptation, particularly with young people, to disparage detail and to be impatient with those who take pains It is so much more easy to aim at getting a job done quickly than to aim at getting it done well, yet accuracy is a very important characteristic in the eyes of the employer. It is amazing how few clerks can be picked out from any office as being really accurate and reliable, and how many there are whose work must always be checked before it can be passed as correct.

THE TYPISTS AND THE WASTE PAPER BASKET.

Inaccuracy is annoying to an employer because is means work badly done, time lost in correction, expense in checking, and waste of material. An illustration of the last point was supplied by a case where the material used by a correspondence department was thought to be excessive and it was decided to analyse the contents of the waste paper baskets after business one day. The result was, to say the least, surprising, for scores of pieces of letter heading, copy paper, and envelopes were found to have been thrown away, the total cost of which was no small item when multiplied by the number of working days in a year. This wastage was entirely due to mistakes in typing and spelling, etc., and was therefore the clear result of inaccuracy. A notice, giving the total amount of each kind of material wasted, which was displayed in the office, caused an immediate and radical alteration, for each typist realised the improvement which was possible in her own work and took pains accordingly.

Accuracy, then, pays because

(1) it is a vital factor in our own development and is essential to any real growth in our personal efficiency, capabilities, and business value; and

(2) it is a quality which ranks high in the eyes of the employer and, when combined with the other necessary qualifications, is a certain step to rapid advancement.

THE PRACTICAL ASPECT.

To come to the more practical side, what can I do to increase my accuracy? To answer this question it is necessary to discover what is meant by accuracy and what are the factors upon which it depends.

The quality of accuracy may be defined as the ability to be exact in detail, and it is essentially

the result of an accurate mind. Accuracy may be found, inter alia, in touch, in vision and in memory; and these will be dealt with in turn, but it is first necessary to consider the general accuracy of mind and temperament from which they spring.

THE EXAMPLE OF GREAT MEN.

If you would be accurate you must train your mind, and the first step is to realise that detail is important, and that, in fact, it lies at the very root of success in business or in any other walk of life. A practical illustration may usefully be given. Think of any outstanding figure you know or have heard of—scientist, doctor, lawyer or business man—and you will find on analysis that in every case there is present, in marked degree, the characteristic of accuracy in detail. The great surgeon excels in accuracy of touch; the great scientist in accuracy of observation; the great lawyer in accuracy of memory; and all of them possess accuracy of knowledge.

Having realised the importance of detail, the next step is to learn to give it the attention it merits. When you are tempted to be consciously inaccurate, remind yourself of the need for exactness, and refuse to give ear to the whispers of temptation—"*That's near enough,*" "*It's not far out,*" "*It's not worth wasting time over,*" and so on. Remember instead that "*What's worth doing, is worth doing well,*" an old saying which like any another, is too well known to be appreciated as it should be.

ACCURACY OF KNOWLEDGE.

The world to-day is overburdened with inaccurate knowledge. One is tempted sometimes to think that to know inaccurately is worse than not to know at all, for more harm and error is caused thereby than ever results from actual ignorance. Certainly it is better to know one job thoroughly than to have a vague acquaintance with many and an exact knowledge of none. Let us amend our proverb then, to read "*What you know, know well.*"

Accurate knowledge demands accurate learning, and, as most of our learning is done by means of the eye, we can readily appreciate the importance of accuracy of vision. Two boys pass a man in the street; one sees a middle-aged man and that's about all. The other sees a tall well-built man of about thirty-five, with a sallow complexion, good features and dark hair, smartly dressed in brown overcoat and soft hat, and probably in business or one of the professions. It is all a question of accurate observation, for they both possess the same eyesight, and neither has any special advantage in education or training.

KNOW WHAT YOU SEE.

To know well, then, we must see well, i.e., we must ensure that the impressions which the eye receives are actually transmitted to the mind and there grasped and retained. At business the clerk who learns quickly and thoroughly is one who sees accurately and who remembers clearly what has been seen. When the correct way to do a job has been demonstrated, the exact method adopted is grasped by eye and mind, and no second explanation is necessary. The poor worker, on the other hand, watches in a vague sort of way, gets a hazy general impression, and is lost when he comes to make an attempt himself, for he finds that the all-important details have failed even to *reach* his mind, let alone to remain there.

Accurate vision applies equally to the other important way of acquiring knowledge, i e., from the written or printed word. If we train our perceptions to fulfil their purpose as they should, we shall learn, thoroughly and accurately, what we read. We have probably all had the experience, when reading a book, of finding that we have read a paragraph without knowing in the slightest what it was about, because our mind has unconsciously switched off on to something entirely different, and the reading has continued merely as an automatic physical action.

This is an extreme case, but it serves to show clearly the difference between seeing and perceiving, the latter being the grasping by the mind of what is seen by the eye. When you read, apply your mind to your subject in such a way that the facts or statements presented to you shall reach your mind in their entirety. Take pains to ensure that the details do not get lost on the way, but that the matter is impressed on your mind fully and accurately. Then your learning will be exact, and accuracy of knowledge will quickly follow.

WORD AND DEED.

If you do not possess the quality of accuracy, your words and your deeds will quickly betray your defect. An exact man or woman speaks exactly. This does not mean pedantically or precisely, like a lawyer giving an opinion on a point of law, but it means that there is correctness of detail without vagueness or exaggeration. How often one hears the reply—"*I'm not sure. I think it was Monday or Tuesday, wasn't it?*", and how refreshing in contrast is the quick response of the accurate worker "*It was last Wednesday, about 11 o'clock*" Here again the chief thing is to make your learning, your observation and your knowledge accurate, and your speech will look after itself. Still, while you are training yourself in these directions, you can well

watch your speech and endeavour to make it clear and accurate in detail; you can throw overboard the exaggerations which hinder rather than help; and you can say you don't know if you don't, instead of hedging vaguely or making a wild shot at it.

The same remarks apply to action and touch. The boy who always manages to kick a chair or fall over a piece of furniture if it is possible to do so, tells the world by his actions that he is inaccurate, as clearly as if he said so. The neat, accurate worker is the possessor of an accurate mind, and the exact touch, whether of doctor, sculptor or typist, is the result of a fundamental characteristic of temperament. Here again it is the mind that requires attention, just as it is the engine that you examine when the car goes badly, but you can nevertheless gain something by trying to give your bodily actions as much control and exactness as you are able.

UNCONSCIOUS ERRORS.

So far we have dealt with the conscious application of the mind and of the eye to accuracy, but much of our inexactness and error is committed unconsciously, i.e., without our realising the mistake until afterwards, if at all. This is due to wrong habits, resulting from inaccuracy of the mind, and the fault is best cured by alteration of the root cause, on the lines explained above. If the fundamental quality of exactness of the mind is developed, the unconscious habits and actions will automatically improve, and you will become more accurate in every small action without your realising it.

TO SUM UP.

It must be remembered that beneath and beyond all this discussion of accuracy-development lies the need for character and control, for these are the main springs which give effect to the desire and the determination to improve.

To sum up, accuracy, which means correctness of detail, is a characteristic of vital importance, and specially is this so in business.

Possession of this quality will increase your practical worth and your use in the world, and it will make you more valuable to your employers.

Accuracy of work or of action or of speech depends essentially upon an accurate mind.

To *know* accurately you must *learn* accurately, i.e., you must train your eye to observe and to read with exactitude, and you must train your mind to grasp and retain the details which the eye conveys to it.

If these main principles are followed systematically, with perseverance and determination, your unconscious actions and habits will slowly but surely become accurate in detail, and you will in time come to stand out prominently from your fellows, because you possess a vital quality which they have not had the determination to acquire.

Next month's "Ambition Study" will be "Character."

VISIONS.

"AFTER all, we live by visions," says some one. We do if we live at all. He who dreams no dreams and sees no visions may exist, and may do some of earth's work after a fashion, but he can know little of the joy of hope, or the thrill of achievement. It is only the man who amid the mists of the valley is trying to shape something according to the pattern seen in the mount—trying to work out in common days something of the inspiration caught in higher moments—who really knows the sweetness and the value of life. Lookers-on may see only an often bungling hand busy with common material, but the worker sees the perfect and beautiful copy toward which, line by line, he is slowly striving.

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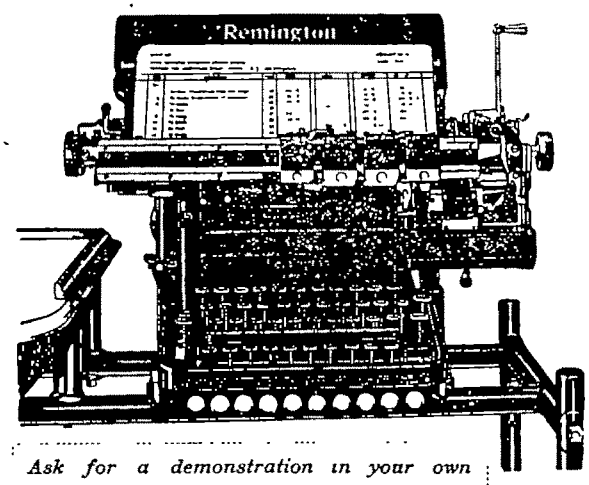

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A Redeeming Feature of Income Tax.

By M. L. HARGREAVES.

The value of careful scrutiny of Income Tax figures where losses are sustained.

SECTION 34 of the Income Tax Act, 1918, is very important to those persons who are unfortunate enough to be sustaining losses in their business, for the said Section brings immediate relief.

Traders, etc , should, therefore, examine their Income Tax figures and be sure that advantage has been, or will be taken of the " Section " where and when possible. The provisions are that, if a loss has been sustained during the year of assessment, *tax may be reclaimed on the amount of the loss within 12 months after the end of the year of assessment;* but only to the extent of the amount of the tax which has been *actually paid on the existing assessment, for that year.*

Let us assume that the financial year for the business ended on the 31st January, and that the statutory profits of the business were arrived at on the average, in the ordinary way. Then the three years ended the 31st January, 1924, would be used in arriving at the 1924/5 (fiscal year) profits.

It is also assumed that the tax on the 1924/25 profits as assessed were paid during January, 1925.

At the end of January, 1925, when the annual accounts were again being prepared, it was discovered that a loss had been sustained for that year (after, of course, allowing for any adjustment with regard to Income Tax disallowances or allowances) which amounted to £1,400. If tax had been paid for 1924/25 on an asesssment in excess of £1,400, then the whole of the tax on the loss or £1,400 at 4s. 6d in the £ would at once be recoverable, or £315. When repayment has been made under this Section, the loss cannot be brought into future averages in arriving at the statutory profits for 1925/26, 1926/27, or 1927/28, but only such an amount (if any) as has not been used up when recovering tax.

A few figures will help the reader to see exactly what happens. Thus, if the figures in the average for 1924/25 were :—Year ended 31st January, 1922, profit £1,390; 1923, profit, £1,502; 1924, profit £1,308; total for three years, £4,200; average, £1,400.

Then the figures to be used in arriving at the 1925/26 average would be as follows:—Year ended 31st January 1923, profit £1,502; 1924, profit, £1,308; 1925, profit nil; total for three years, £2,810; average, £937.

It will be observed that no part of the loss sustained for the year ended 31st January, 1925, can be brought into the average for 1925/26, as the whole of the loss in this instance was used up. But if the loss sustained had been £1,641, instead of £1,400, then the following would have been the result :—The whole of the tax paid would have been recoverable, as before, but £241 would have been available for introduction into the average for 1925/26 and onwards.

The 1925/26 average would then be :—Year ended 31st January, 1923, profit £1,502; 1924, profit, £1,308; less 1925 balance of loss, £241; total for three years, £2,569; average £856.

Similarly, if the loss sustained had been less than the existing assessment (£1,400), say, for example, £1,100, then tax on £1,100 would have been recoverable and £300 taken for set-off in future averages.

In conclusion, there are not many people who know that this " Section " enables the taxpayer under certain circumstances to *make an absolute profit out of Income Tax.*

This statement may be considered as that of a lunatic, but, nevertheless *it is true,* for the reason that this Section allows the tax-payer to recover the tax at once, so that when the rate is a falling one, the tax-payer recovers at a higher rate than he would have done two or three years later. Those persons who made claims under this Section in 1920/21, were recovering tax at 6s. in the £, whereas if they had allowed their losses to operate only in the average in the ordinary way, they would only have received in effect, payment at the rate of 5s. 2d. in the £, viz. :—

1921/22 one third of 6s. in the £ or	2s.
1922/23 one-third of 5s. in the £ or	1s 8d.
1923/24 one-third of 4s. 6d. in the £ or	1s. 6d.
	5s. 2d.

If the amount on which the loss was claimed was £2,000 there would have been *a profit to the taxpayer* of £83 6s. 8d ; or 2,000 times 10d. (6s. minus 5s. 2d.).

Similarly, if the claim were for the next year, viz., 1921/22, there would be a gain of 1s. 4d. in the £, the standard rate being 6s. and the average of the next three years standard rates being only 4s. 8d. in the £.

The Steam Accumulator as an Important Factor in General Works Economy.

By J. W. M. TOPLEY, A.C.G.I., A.M.I.C.E., M.Am.S.M.E.

Fluctuations in demand for steam not only make boiler control more difficult and therefore more costly in fuel, but the inability of the boilers to respond in full to temporary heavy calls often causes loss on a greater scale elsewhere in the works. It is here explained how uniform steam production can be combined with unlimited variation in rate of consumption, simplifying operation and removing the root cause of unnecessary costs.

IT is as a rule not fully realised, even by the men immediately concerned, how great are the fluctuations in the output of the average industrial boiler plant, nor, which is frequently of greater importance, how largely the operation of the works as a whole might benefit if the variations in rate of steam supply could be still greater than the boiler plant can compass. The trouble would doubtless receive closer attention were it not almost universally regarded as an unavoidable nuisance.

It does not require a technical specialist to understand that when the rate of steam consumption is continually changing over a wide range, it becomes a difficult matter to maintain those relations between fuel, water, and primary and secondary air supply which will result in economical generation of steam.

AVERAGE ATTENTION AND RESULTS.

The boiler-house attendant who succeeds, in spite of the varied calls upon him, in maintaining a fairly steady pressure without wasting steam through his safety valve, is apt to feel, sometimes not without reason, that he has done all that can fairly be expected of him, without inquiring too closely whether the often hurried adjustments forced upon him were those most conducive to a low fuel item in the cost account.

If, however, the required steam supply can be produced by the boilers at a steady average rate, and distributed as and when required, the working of the boiler plant not only requires less attention, but it becomes a much easier matter to ascertain and establish those adjustments which are found to yield the best results; a very appreciable saving follows automatically upon steadier conditions.

Moreover the fact that the boilers are steaming regularly means that they can be worked to their full capacity, since it is no longer necessary to retain a reserve for " peak " loads. It follows that in many cases fewer boilers can give the required output. A steady load and the absence of forcing means also substantially reduced costs of maintenance.

From the consumption point of view the possession of a reserve of steam which can be drawn upon at any rate desired has obvious advantages, but before dealing with that aspect it is convenient to outline the means by which it is achieved.

THE INVENTION.

The idea of providing a central storage which should make the rate of steam consumption independent of that of steam supply occurred to Dr. Ruths of Sweden. His solution of the problem first found full concrete expression in a plant erected in 1917, and it has already become firmly established in industrial practice. It is applicable to all the many works which use, or can use, steam at different pressures—as for instance high pressure for power production and low pressure for process work—and is in principle simplicity itself, though much ingenuity has sometimes been exercised in applying it to specific cases.

BASIC PRINCIPLES.

Briefly it is based on the well-known fact that in a properly constructed receiver, water will promptly absorb steam when the pressure rises, and will yield it up again at any rate desired when the pressure is reduced. Such a reservoir, termed a steam accumulator, is provided and connected up through special valves,—on the one hand with the boiler plant and high pressure consumers, and on the other with the low pressure supply.

The boilers are worked at the constant rate which furnishes the average steam supply required. The consumers on the high pressure system take whatever steam they need, and the surplus, varying in quantity as the high pressure demand varies, " spills over " through a valve specially designed for the purpose into the accumulator. The low pressure system is served by the accumulator through a reducing valve which maintains at a constant level the pressure required in that system, irrespective of the rate of consumption, and of the varying pressure in the accumulator.

A general idea of the character of these installations is afforded by the illustrations. The large accumulator in figure 1 is seen installed in the open, which is the usual practice. If space is limited it can be erected over a building, as in figure 2. The order of size may also be judged from figure 1 and the appearance of the control valves from figure 3.

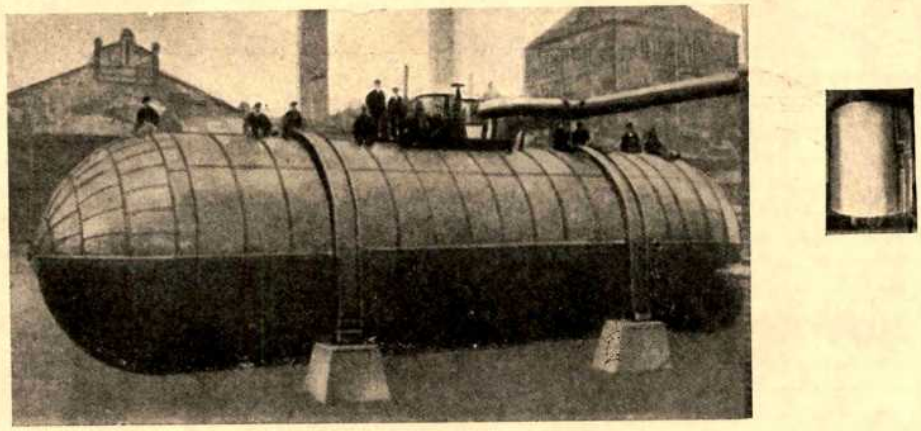

Fig. 1.—These two pictures show in actual proportion the largest and smallest Ruths Accumulators which so far have been built. The small accumulator to the right, installation No. 31, is in a dairy. Its volume is 180 cubic feet, diameter 6 feet and height 7 feet, with a capacity of 360 pounds of steam in the pressure range from 85 to 28 pounds per square inch. The large accumulator to the left, No. 6, is installed in a large pulp and paper mill. The volume of this accumulator is 12,200 cubic feet, diameter 16 feet 6 inches, lenth 64 feet, capacity 26,500 pounds of steam in the pressure range from 39 to 10 pounds per square inch.

THE EXPENSE FACTOR.

The cost of installation must vary with the range of pressure available, and with the maximum pressure at which the accumulator itself is worked, as well as with the capacity. That the necessary expenditure has been found justified is evidenced by the fact that so comparatively new a principle of operation has already been adopted for nearly three hundred works, situated in twenty-one different countries; of these Great Britain as yet accounts for eleven only.

There are, of course, additional items of equipment conducive to smooth working, and the plant can be so arranged that a single low-pressure accumulator will serve to maintain constant pressure in three, or even more, different pressure systems. Without going into these points in detail, two possibilities often available for further large cuts in the fuel bill should not be overlooked. These are the utilisation of steam from waste heat boilers, and the great saving in the cost of power production, which is afforded by the extraction of power from process steam before use, both of which require in the majority of cases the presence of a steam accumulator if they are not to fail of their full effect.

A fluctuating steam supply from a waste heat boiler is absorbed in an accumulator system without disturbing either the uniform production of steam or the steadiness of the working steam pressures. In the absence of an accumulator the utilisation of such a steam supply adds yet another source of variation to those with which the boiler plant has to cope, and may be found so difficult as not to justify a waste heat boiler at all, in spite of the loss of fuel involved.

POSSIBLE ECONOMIES.

By employing back pressure or pass-out turbines from which the exhaust steam escapes at the pressure required for process work, power can as a rule be obtained at a cost with which no Central Station, or condensing engine at the works, can hope to compete, always assuming

that the exhaust steam can be utilised immediately it is produced. The varying demands for power and process steam frequently, however, make it difficult to do that, and, in the absence of an accumulator loss necessarily occurs whenever a surplus of steam is available from the engine, a loss which is only partially avoided by devices for putting the surplus steam automatically through a condenser.

With two exceptions the gains above indicated are all such as find their practical expression in the fuel account. The exceptions are the reductions in boiler capacity and in maintenance charges, the former of which goes far to balance the cost of the accumulator in the plant account. In many cases, however, these gains have proved, although themselves more than justifying the cost of the accumulator, to be far less than the benefits it has afforded at the consumption end.

There need never be a hang up for want of steam. An accumulator will yield up the steam it has stored at a rate many times greater than the utmost capacity of the boiler plant which has charged it. Consequently processes such as heating up, etc., which can be expedited by a more rapid steam supply, can be put through in a shorter time, thus increasing the output of the plant in question, and when the process is a major operation the output of the works as a whole may be increased correspondingly. There have been many instances where overall increase in works capacity of 10 per cent. up to 30 per cent. have been so effected.

Once revenue has overtaken costs each per cent. of output is accompanied by many per cent. increase in profits.

Where a reserve supply from an accumulator is not available, a sudden call on the boilers is apt to result in a reduction of steam available for other processes, which are consequently starved to an extent perhaps not fully realised, resulting in loss of time and perhaps an inferior product.

In one instance the capacity of the works was increased by 10 per cent. with one boiler less in commission.

The full need for an accumulator cannot be safely judged from a steam flow chart, and not at all of course from such variations of pressure as succeed in making themselves apparent in the boiler house in spite of the efforts of the fireman to suppress them. Nevertheless a fairly steady gauge cannot but tend, in the absence of a recording steam meter, to minimise in the subconscious mind of an observer the full extent of the fluctuations which are actually in progress.

Now that the work of investigation and development of the uses of the accumulator has been done by Dr. Ruths it seems somewhat remarkable that so obviously correct a principle of working did not emerge earlier. It cannot be doubted that before many years are past it will generally be regarded, where the conditions call for it, as it already is by those who have become fully acquainted with its merits, as an essential feature in a properly designed steam system, equally with the boiler plant itself.

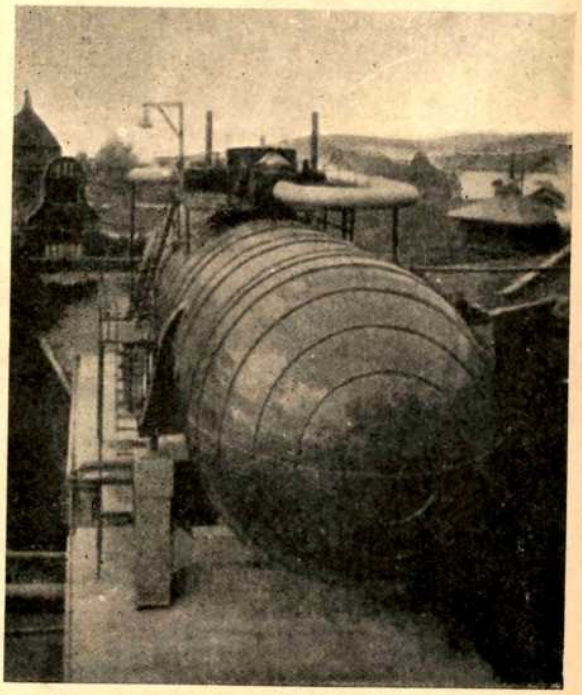

Fig. 2.—Steam Accumulator installed in a sugar refinery. Here the accumulator is located on the top of a building due to limited ground space, and rests on 4 pillars of reinforced concrete about 40 ft. above the ground. The accumulator has a volume of 11,700 cu. ft. and a storage capacity of 26,500 lbs. of steam in the pressure range from 57 to 20 lbs. per sq. in.

In the eyes of the busy works manager not the least of those merits is that the accumulator, while requiring practically no attention itself, tends to all round simplification in both operation and management. It is not easy to specify how many accounts in the ledger are beneficially affected by more harmonious working and more exact control.

Put shortly, a co-ordinated steam accumulator system renders the production and consumption

of steam mutually independent, and leads to economy in both. It tends also to a saving of time and a simplification in works operation and control which are often of greater financial importance than the saving in fuel consumption.

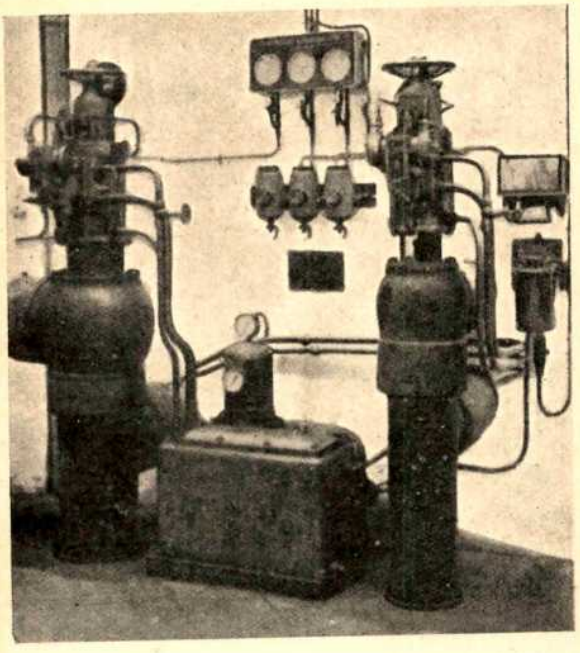

Fig. 3.—Valves of Accumulator Plant installed in a beet sugar factory. Note compact arrangement of steam switchboard which is placed in turbine room. Oil tank and motor driven oil pump are arranged between the two AVA pressure regulating valves and gauge board at back.

(Continued from next column).

meaningless platitudes to every prospect, irrespective of his particular type or circumstances, will bring but few results.

The subscription traveller must remember that his goods, however useful to a man in his business or profession, are nevertheless a luxury, and in these days of strict economy, it requires exceptional arguments, advantages, and, I might say, aggressive salesmanship, to persuade the prospect to order.

There are several well-known firms which carry on an extensive business in this class of trade. Their publications, sold by subscription or on the instalment plan, go into shops, offices and private homes in every city, town and village in the country. Sufficient proof that the right kind of man, who understands the psychology of men and women, can make a good living in the most difficult branch of modern business.

Selling Subscriptions.

By WILL MOODIE.

THE popular cry in industry to-day is for salesmanship, scientific salesmanship. The "Situations Vacant" columns in the newspapers advertise the need for salesmen and representatives of every kind. There are even schools that offer to teach men (and women) this intricate art; but the demand still exceeds the supply.

The greatest difficulty, of course, is to get men capable of marketing unusual commodities, or undertaking propositions that require exceptional skill and perseverance. Agents for encyclopædias and technical works on the instalment plan, or trade or other magazines on a subscription basis, are in a class apart from ordinary commercial travellers.

This kind of work has a wide field in America, and the book or subscription agent, being an outstanding figure in fact and in fiction, is received with greater courtesy in that country than over here.

It is some consolation to the subscription agent in Britain that competition is not quite so keen, so there is plenty of scope for the man who has an abundance of tact, good selling talk, quiet manners, and plenty of confidence. He will need a full share of the latter quality for the work is precarious, and there are probably more disheartening set-backs than in any other form of selling.

The remuneration may be on a commission basis only, or a small salary and commission. In either case, the representative must work hard and put in as many calls as possible if he wants to make a good income. I know men who earn a comfortable ten pounds a week selling subscriptions for trade journals, and a woman who for years has earned up to fifteen pounds a week doing the same work for a music publication.

My own experiences of this work tell me that the well-dressed man whose general appearance is irreproachable has the best chance of obtaining an interview with a responsible official. The busy manager, director, or head of a department, will rarely condescend to discuss any proposition, however attractive, with a man who looks what he is—a canvasser.

The method of approach must be carefully planned in each case, and trouble taken to weigh up the arguments before delivering the selling talk. Reciting, parrot-fashion, a long string of

(Continued in opposite column).

Hours and Wages.

By H. A. SILVERMAN, B.A.

It has been contended that a reduction in the number of hours worked, would result in no diminution of output over a period, owing to the higher efficiency obtained; notably, in the case of the miners in their evidence before Mr. Justice Sankey's Coal Commission. This has not been substantiated by practice. Our author examines this and other interesting implications of the claim.

BEFORE the war by far the greater number of employees worked between 52 and 56 hours weekly; apart from the coal-miners, very few people enjoyed a working day of 8 hours or less. In the couple of years following the war considerable reductions in hours of labour were effected in nearly all industries. In the engineering and shipbuilding trades, for example, the working week was reduced from 53 or 54 hours to 47 hours. The 48-hour week was adopted in the railway service, and also in the textile, clothing, leather, printing and other industries, while the hours of coal-miners were reduced to 7 per day. Altogether, more than seven million workers benefited from reductions in hours. With the exception of the hours of coal-miners, who were specially legislated for, all the reductions in hours were secured by voluntary bargaining between the employers and employed. It was a condition in practically every case that the improvements in hours should not be at the expense of wages. The rates were so adjusted that the workers received at least as much as they were earning before.

Since 1920 there have been but slight alterations in general working hours, though the recent Act, amending the 7-hour provisions of the Coal Mining Act of 1919, is a notable event. The whole question of working hours has come into the foreground, and is being hotly debated in the Press and on the platform, as well as in the home and clubroom. It is an opportune occasion to review some of the observed results of the shorter working day, and the general relationship between hours and wages.

FINDINGS OF THE INDUSTRIAL FATIGUE RESEARCH BOARD.

Let us note, first, the findings of the Industrial Fatigue Research Board on the interdependence of hours, conditions and efficiency. In the iron and steel, tin plate, and glass industries, for instance, the effects of shifts of different length were compared. The results showed that a reduction in the length of shift was usually followed by an increase in *hourly* output, but that the increase was generally insufficient to compensate for the shorter working day, with the result that the total individual output and the total output *per shift* was less on the shorter than on the longer working day. But, where the processes were continuous, it was found that there was, as a rule, an increase in the total output *during the 24 hours*. The Board recognised that it might take from two to thirteen months after the reduction of hours before the increasing output attained a steady level.

In reporting on the distribution of hours, the Board suggests that, on the average, the one-break day is preferable to the two-break day, owing partly to the low efficiency in the hours worked before breakfast. This is particularly true of the cotton trade. The Board proposes, further, that the actual spell of work in the one-break day is usually too long, and that rest pauses may be mutually beneficial to all parties. It conducted investigations in light manual repetition work, and deduced that a rest pause of 10 to 15 minutes during a spell of $4\frac{1}{2}$ to 5 hours would be ultimately followed by an increase in output to the extent of 5 to 10 per cent. In heavy muscular work, laboratory experiments yielded similar results.

With regard to conditions of employment, it was found by the Board that output is determined to some extent by the temperature of the works, output tending to be greatest in winter and least in summer. The output of the tinplate industry, for example, was shown to vary by as much as 30 per cent. as between the two seasons. In general, the variation in output is smaller where the shops and works are well ventilated. A certain connection was also traced between temperature and accident causation, the number of accidents in particular engineering processes, for instance, being at a minimum when the temperature was 67.5°F. Similarly, the conditions of lighting were shown to effect efficiency. Thus, in the cotton textile industry, output was stated to fall from 5 to 10 per cent. under a fairly good system of artificial light as compared with daylight. Where, too, the atmosphere was humid

the efficiency of the worker was found to be adversely affected, though, on the other hand, a high degree of temperature and humidity was claimed to improve the physical quality of the yarn in the weaving process. Independent inquiries showed that production began to fall when the "wet-bulb" temperature reached 72°-73°F.

To quote from the Industrial Fatigue Research Board's fifth annual report: "The Board are doubtful whether the extent of the loss which arises from the present indifference to the physiological and psychological aspects is fully realised. Part of this waste is disclosed in the official statement that *the loss of time due to sickness, most of which is preventible, probably costs the country not less than ten times more than that which it loses owing to strikes and labour disputes.* . . . A needless waste of many millions of pounds annually could be prevented by the application of scientific methods to the functioning of the human element in industry."

NIGHT WORK AND OVERTIME.

As is well known, night labour tends to be very inefficient; investigations have demonstrated that the last few hours in particular of the night shift result in relatively little output. There are, of course, certain occupations which necessitate night work, but the service is provided to some degree at the expense of efficiency. The worker's health frequently suffers from inadequate sleep and from the unusual times for meals. The working environment, too, is less conducive to good output than it is during the day. The lighting is not so good, while supervision is apt sometimes to become lax.

Where, in spite of these drawbacks, night work is engaged in, the employer probably finds some compensation in other directions. The owner of blast furnaces, for example, has no option but to keep them functioning day and night. To a smaller extent, the owner of expensive machinery may wish to make continuous use of his plant in order to spread the heavy overhead charges over as large an output as possible. The inducement is particularly strong where the machinery is liable to be superseded by more up-to-date devices, and where, therefore, it may have to be scrapped as obsolete long before it is actually worn out. The pros and cons have to be thoughtfully weighed up in each particular industry, for the results that obtain in one quarter may not be found elsewhere. Even if the employer calculates that, from his point of view, the benefits of night work outweigh the drawbacks, there is the possibility of the advantage being nullified by the extra wage rates that have almost invariably to be paid for such working periods.

Similar objections, though not of the same degree, may be raised against systematic overtime, for the adverse effects on the health of the worker much prejudice the quality and quantity of his output. The further criticism is sometimes encountered that the "over-employment" of one set of people means unemployment for others; in other words, it is contended that a reduction in the practice of overtime would be accompanied by a corresponding fall in the amount of unemployment. Where overtime is systematically indulged in, there is doubtless some weight in this criticism. But, where the overtime is seasonal and intermittent, the objection has not the same force. To take on an additional number of men for a comparatively short period of the year might entail an expenditure on new buildings, machinery and tools that would not be justified by the extra business. Floor space and capital goods would be lying unused for long periods, involving an outlay for which there is no corresponding return.

THE FORD PLAN AND ITS IMPLICATIONS.

The number of employers who recognise the economy of high wages, accompanied by skilled organisation and direction, is still comparatively small, but those who believe in, and take practical advantage of, the economy of a short working day are in a still smaller minority. The adoption of a five-day week in the Ford works, with no reduction in weekly wages, marks an important stage in industrial organisation and relations. Like all new ventures, the experiment is being both praised and condemned, according to the viewpoint from which it is being regarded. Though one cannot, at this early stage, pass any opinion on the full operation of the scheme, it is possible to observe the implications of the five-day week and the conditions essential to its successful working. Mr. Ford places great emphasis on the fact that a reduction in working hours—and in working days—leaves the employee a greater amount of leisure than he formerly enjoyed. It is anticipated that, in this newly-found leisure, the worker will purchase commodities and services which hitherto he was unable to make use of, or for which he had no desire. A man who has two full days' leisure is likely to be a better customer than one whose time is more fully taken up in earning a living. Hence, it is argued by such protagonists, the demand for goods in general will increase, and trade all round will benefit.

It is not denied by the pioneers of the Ford plan that a condition of the same weekly wage being earned in fewer working hours is that the productivity of the employees shall be increased during the five days they are in the factory. The intensively specialised operations in the Ford works are already well known, and there are many social students who would question the real gain of a five-day week if it meant still greater speeding-up than before. The extra physical exhaustion on Friday evening, not to mention the possible ill-effects on the quality of the work judged over a long period, might more than counterbalance the benefit of a free Saturday morning.

But, even if this danger were removed, and the loss of the half-day were made up by improvements in organisation that did not act detrimentally upon the physique and character of the worker, the case, as put forward by Mr. Ford, would still not be clear. If the worker is to buy more goods in proportion to his extra leisure, either he must earn more in the course of the shorter working week or he must save less.

Each alternative presents its own problems. If a man is to earn more, despite the fewer hours that he has to put in, the danger of excessive speeding-up and the dull monotony of repetitive work become even more pronounced than before. The acquisition of a few more shillings may be small compared with the personal and social loss, not so easily measurable, but none the less real. If, on the other hand, in order to spend more he reduces his savings, the consequences may be harmful both to himself and the community. The act of saving means abstinence to the individual, but not necessarily to the community as a whole, for wealth "saved" (as distinct from that which is hoarded unproductively) is transferred, through the agency of the banks, to manufacturers and others who, presumably, are generally capable of putting it to more productive and serviceable use than the person who originally set it aside out of current income. In short, saving really involves the transfer of the power of consumption. If greater expenditure by the workers is to be at the expense of savings, the supposed fillip to trade might eventually be neutralised by the falling-off in capital supplies and the consequent hindrance to productive capacity.

We shall, in a subsequent article, when dealing with the question of unemployment, touch upon the relation between production and consumption, and upon the allied subject of the proper proportion between spending and saving. It is sufficient for the present to realise that the above argument for reduced hours of labour, based on the expected stimulus to spending, cannot be accepted or rejected until all the consequences of such a policy have been explored. The contention, however, that a shorter working week is desirable and practicable on the ground that that no falling-off in efficiency and output will result, is less conjectural and more convincing.

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Scientific Mechanical Maintenance and Economy.

By C. W. BRETT,

Managing Director, BARIMAR, LTD., Scientific Welding Engineers.

ORGANIZATION is too often interpreted as arrangement of the Counting House or the Administrative side of modern commerce; certainly, in a large number of cases, the workshops or producing department receive very scant attention in this matter. And yet, the "place where the business begins" is, actually, the spot where success or failure stands in continual balance. More money can be lost at the source of output than in the accountant's office—bad debts and other adverse contingencies notwithstanding. Inefficient or idle machinery leaks gold; periodic breakdowns resulting in partial or total dislocation of one or more departments make a ruinous drain upon upkeep funds, and, not infrequently leave a nasty mark on dividend sheets.

Clearly, therefore, a scientific system of dealing with plant and producing units is of vital importance in all industries, because it is only by the employment of a sound method of maintenance and repair that machinery can be kept up to the high-efficiency level at minimum expenditure of time or money. It is impossible to reduce the cost of production with mechanical units "pulling all their weight" half the time, or half their weight all the time. Success, in these days of white-hot competition, means full-time, full-load service maintained at absolutely "rock-bottom" expenditure.

How little this is realized—or, at any rate, appreciated in a practical manner—is strikingly illustrated by the frequency with which one meets men of undoubted capacity who rely upon replacement to make good any and every deficiency on the mechanical side of production and distribution.

A GRAPHIC INSTANCE.

Not long ago a well-known manufacturer was discussing the mechanical upkeep problem with a friend whose commercial progress can best be described as "meteoric." The view taken by the manufacturer was emphatically: "If a machine cannot stand up to its work, it has jolly soon to make room for a unit that can." Now, at first glance, this looks uncommonly like sound sense; but, as his friend instantly pointed out: "To secure mechanical efficiency *at any cost*, so far from being economical, may well be the shortest cut to bankruptcy." Further discussion elicited the fact that, during the preceding twelve months, the manufacturer had experienced three *major* breakdowns. In each case the unserviceable device was replaced, and, as he explained, the new units had put up production returns by nearly 20%.

His friend, however, did not miss the point, and, at considerable trouble, he subsequently dug out the profit and loss of the whole transaction. The prime cost of replacement, for example, had involved his friend in an expenditure round about £8,500; the loss of 375 producing hours, due to delayed delivery, dismantling of the old machine, and installation of the new; and certain structural alterations running into three figures. To offset all this he had 20% increased production.

Had the matter been dealt with scientifically, in the light of new discoveries and inventions in the allied sciences of metallurgy and thermics, his bill—as estimated by a Welding Specialist, who was prepared to tackle the job under definite guarantee—would have run something like this: Welded repairs, undertaken *in situ*, £1,250. Loss of producing hours repair gang working night and day) 72. Structural alterations unnecessary. Complete restoration to 100% efficiency.

It does not require a student of higher mathematics to get the four-square of this account.

SCIENTIFIC WELDING.

Manifestly, therefore, replacement—though it possesses the merit of simplicity—fails signally to fulfill economic requirements. Now, by way of contrast, let us turn to Scientific Welding; and by way of introduction let us state in plain terms that to be of any real value in the economic restoration of damaged or unserviceable units

and devices the method adopted must embody three features:

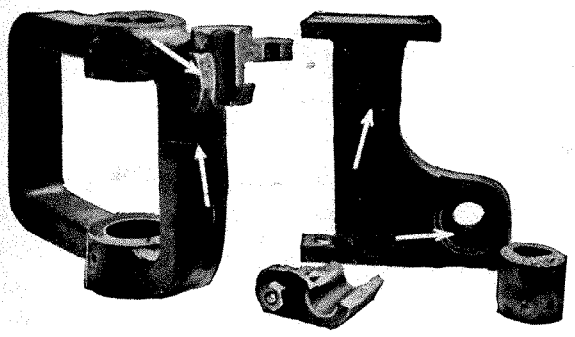
(*a*) It must be readily and rapidly applicable to plant and machinery of all descriptions, and it must be adaptable to the reparation of damage arising from whatsoever cause.

(*b*) It must be capable of effecting a positive saving in both time and money in all cases or causes of breakdown; and

(*c*) It must restore a device or component to its original efficiency, under all circumstances.

Less than this has, obviously, little or no bearing upon the solution of the all-important problem of economy in mechanical repair and upkeep.

Now as to Scientific Welding: *Firstly*, it can be employed in the complete rehabilitation of plant of all kinds, fabricated of any of the industrial metals, including modern high-speed steels and ferro-composites which now enter so largely into the construction of machinery. *Secondly*, its proper use can be relied on to effect an average



Two cast iron brackets belonging to a Printing machine. These were broken through bearing and boss as shewn.

saving of from 50% to 75% on the quoted cost of replacement, while in the case of costly units—as referred to above—the total expenditure is frequently fractional. *Thirdly*, it is not merely adaptable to the restoration of a machine to its original condition, but can be employed to increase strength or dimensions to any required extent, and to eliminate such design or material weaknesses as manifest themselves in recurrent breakdowns.

REAL ECONOMY.

Many people—not unversed in engineering questions—appear to think that the word "Scientific" in relation to Welding is a mere ornamental qualification, tacked on for effect. Actually, nothing could be farther from the fact. Practically any mechanic, having an elementary knowledge of any one of the half-dozen fusive agents and processes now regularly used, can weld—that is to say, can join two pieces of metal together by fusion; but, as we shall presently show, mere junction bears no closer relation to Scientific Welding than painting a door bears to artistry.

The unqualified operator has, in the past, derived his charter from the unfortunate fact that, so far as external examination goes, good and bad welds are practically indistinguishable. To counter this the Specialist has had to adopt an elaborate series of tests calculated to reveal instantly the soundness or otherwise of the work.

The defects most commonly observed in reconstructions carried out by incompetent craftsmen include: Hard Beads, Cold Shuts, Internal Stresses, Oxidation, Warping, Imperfect Alignment, Changes to the Physical Qualities, Injury to Crystalline Structure of Parent Metal, Warping, Expansion or Contraction Flaws, Microscopic Cracks and Fissures, Damage arising from Too High or Too Low Temperatures, Improper Thermal Preparation, Wrong Cooling, Unsuitable Fusive Agents or Process, &c.

All of which have, at one time or another, been responsible for breakdowns involving the destruction of the unit, and loss of life.

MODERN STEELS.

While all metals subjected to high temperature demand unfailing respect, there are none so exacting than the new high-grade alloy steels. Those, for example, containing varying percentages and combinations of Titanium, Chromium, Nickel, Vanadium, Manganese, Zirconium, Tungsten, Silicon, Cobalt, and Molybdenum are particularly liable to destruction at the hands of inexperienced operators. Indeed, speaking broadly, anything approaching uninformed or careless treatment, or the protracted submission to temperatures ranging from 1000 degs. Fahr., without the proper safeguards, will assuredly do irreparable damage.

It will be seen, therefore, that Scientific Welding is something which demands the services of an acknowledged expert; and, if economy is to be served, all mechanical reconstructive work should be entrusted only to trained and qualified craftsmen, acting under the direction of a metallurgist who has made a special study of the

thermal treatment of all industrial metals by each or any of the several processes now used by the specialist.

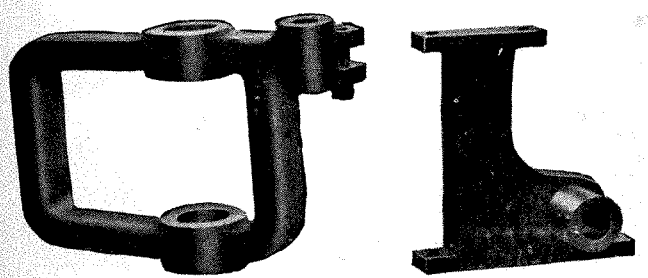
If this is done there can be no question that Welding represents the full solution of the ever-present difficulty of mechanical repair and up-keep, in a manner which ensures the highest possible efficiency at the lowest possible cost.

WHAT CAN BE DONE.

The following list of complete or partial reconstructions—though making no pretensions to comprehensiveness—will serve to indicate the scope of Welding as it applies to modern industries, and may be regarded as examples of what is now considered routine work.

All metal parts of all road transport units; all members and components of devices and machines used in the following trades, &c. :

Printing, Brewing, Baking and Confectionery, Flour Milling, Distilling, Sugar Refinery, Oil



The brackets perfectly repaired and strengthened by Scientific Welding. All trace of repair was removed, and the work cost a mere fraction of the price of new castings. The repair was guaranteed and completed within a few days.

Extraction, Leather and Boot Trade, Gas Making, Electrical Generation, Civil, Electrical and Mechanical Engineering, Motor Engineering, Ship and Loco Building, Brick, Tile, and Pottery, Foundry Trade, Tobacco, Textiles, Dairying, Agriculture, Paint and Varnish, Canning and Packing, Woodworking, Contracting, Mining, Rail Transport, Soap, Chandlery, Laundry, &c.

Finally, it must never be forgotten that the perfect process—whatever its purpose—is a mere scientific abstraction unless it is applied by those in regard to whose qualifications there can be no doubt. Anyone, of course, can do anything anyhow; but to do it as it should be done is work for the acknowledged specialist.

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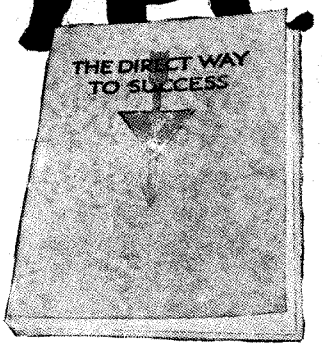

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Colour Harmony in Window Display.

By GEORGE RICE.

Successful window display is largely a matter of harmony of colour. How much trade is lost by discord in this phase of attraction of the customer it would be difficult to assess. A study of windows set for display gives one food for thought. This is a valuable article for the retailer.—EDITOR.

THE assortment and arrangement of colours in show window displays comes natural to some people, while to others who are not so gifted, the problem is often complex. Professional display men frequently devote considerable time and energy to the various phenomena of colour and become so efficient that the displays made by them are usually perfect in colour harmony. But only the large shops can employ professional window trimmers, for after a man becomes proficient in this line of work his services are expensive. Many a shop has to rely upon the ability and ingenuity of one of its assistants to do the necessary work in the show windows. For these men this article is written. The pattern designer of dress goods, the artist who has decorated china or glass according to the laws of colour, the upholsterer who has been careful in colour detail, and all others who give beauty and attractiveness to merchandise by attention to the rules of simultaneous contrasts, often find their products cheapened in appearance because of the bad effects of the colour harmony in the window display. and yet a casual examination of the laws governing complementary colours will enable almost any one who is not afflicted with colour blindness to avoid incongruity in colours in window trimming schemes. It hardly seems necessary to mention colour blindness in this connection until we look back to the days of 1914-1918 when some millions of young men were called up, and recall the abnormal number disqualified for lack of ability to distinguish colours.

THE DISC TEST.

Men who never knew before that they possessed a defective colour vision were promptly enlightened and rejected. So first of all he who undertakes the important duty of trimming the show windows of his shop ought to assure himself that his eyes are right so far as colour distinction is concerned. Otherwise his windows are likely to present an incongruous mass of shades much to the detriment of the display.

But there may be some who possess the normal keeness of colour distinction and still be hampered because of inability to place certain colours where they belong. That is, the beginner may have heard about complementary colours and still not know precisely what complementary colours are. Just place a blue disc of cloth or paper on a sheet of white paper and fix the eye steadily upon this disc for a few moments. An orange tinted ring of light will play around the edges of the disk and can be easily seen by any one whose eyes are normal. Then after turning the eyes away from the disc, the impression of the disc may be retained for a few seconds, but the colour will appear an orange hue more than a blue hue. The complementary colour of blue therefore is orange. The same experiment can be tried with a red disc, in which case it will be found that a greenish ring will form about the disc, thus making green the complementary colour of red. And all of the colours can be treated in the same way.

WHEN COLOURS HEIGHTEN ONE ANOTHER.

It is on the principle of complementary colours that any two colours or two shades of the same colour, will heighten one another in colour when placed in justaposition. Many a display expert has been obliged to completely rearrange his coloured goods after examining the display from the street because of the workings of this law. A coloured article which looked just right as it stood alone may look all wrong as soon as some other coloured object is placed near it.

It matters but little when such a thing happens with the professional, for he quickly detects the trouble and knowing its source can correct it with a few changes of the positions of the objects.

But the novice, being faulty in his knowledge of colour blending, is unable to correct the defect although he may realize that something is wrong Hence what might otherwise be a first class window display loses its practical value in the eyes of the artistic person.

ANOTHER TEST TO TRY.

The principle of modification of a colour can be demonstrated with two strips of orange paper or cloth and two strips of green paper or cloth, each strip being about six inches long and one-half inch wide. These strips should be placed parallel to each other with one of each colour in the centre, and about one quarter of an inch apart. The two outer strips should be similarly placed with the green strip next the central green one and the orange next the orange. By standing about six feet away and looking upon this combination, a visible modification in the colours will be observed. The central orange strip will assume a more reddish hue than the outer orange strip and the central green strip will assume a more bluish hue than the outer strip.

Even a pure white strip of paper or textile material placed in a show window or on a counter, is affected by the presence of colours, as is well known to experienced decorators, but is not so well understood by the average assistant. If some coloured goods are placed next to white goods, the latter is sure to be slightly affected by the complementary colour of the former. Black and white colours are commonly considered complementary to each other when employed under normal conditions.

There are, however, abnormal conditions under which these two colours may be used so that the white heightens the tone of the black by analogous action.

COLOUR POINTERS.

It must be remembered that while white tends to heighten the tone of colours brought into contact with it, black tends to make them lighter. Colours possessing a high degree of brilliancy, such as lustrous reds, yellows and oranges, possess the ability to add force to a black. But the colours lacking this characteristic of rich gloss, such as the blues and the indigoes, have an opposite effect on a black colour.

Good taste in colour and design in show window decoration is a valuable asset to anyone who has anything to do with this line of work. The writer was in Paris some years ago and noticed the attention given to harmony of colours in window dressing. But the French did not acquire the art of colour harmony in a few years of study. I learned that both the French and the Italians have had their schools of design for over one hundred years. There are schools of design established in this country in which courses are given in the art of colour application wherever acquired. But the average salesperson who is daily employed in a merchandising establishment does not have either the time to attend such institutions or the money to pay the tuition fees Some take postal courses in colour blending, while others may be residing in a large city where a night school teaches the art. The trade journals present a good, practical field for study, for many of them publish helpful articles on display developments. Some of the most successful display men known to the writer have obtained their entire instruction in colour harmony from the trade press Frequently the data contained in a single article in a journal would require one a long time to learn by actual work in the show window.

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The Ladies' Evening Home Journal.

The Management of Men.

By CUNLIFFE L. BOLLING,
Author of "Commercial Management," "Sales Management," etc.

Fifth Article.

In previous articles Mr. Bolling has dealt with the employment of manual workers, clerks and salesmen.

He now turns his attention to the employment of shop assistants, and his reflections will give many retailers food for thought.

THE other day a prominent business man said that there are nearly a million shop assistants in this country and that most of them are inefficient.

The last statement is a sweeping one, but there is a great deal of truth in it, because it will be found upon investigation that the employees in many shops fail to satisfy their employers, fail to satisfy the customers they serve and fail to satisfy themselves in regard to progress and remuneration.

No one for a moment imagines that shop assistants as a class of worker are inferior to any others, so that we are forced to the conclusion that management is to blame—that the average retailer is not proficient in the difficult art of managing men and women.

There are four chief points to be considererd in connection with the employment of shop assistants—character, leadership, environment and remuneration.

THE SHOP ASSISTANT'S TEMPERAMENT.

Character is the first point to be considered because a large proportion of the men and women on this earth are naturally unsuited to service in a shop. The lazy people, the quarrelsome people, the impatient people, the slovenly people and the slow-witted people are all ineligible for service, for no amount of management will change their temperament. A spoilt child is useless to a retail trader.

Per contra, therefore, we find that a shop manager who is recruiting assistants should select men and women who appear willing, good tempered, clean, tidy, healthy, intelligent and resourceful.

Of course, a manager can readily be excused for making mistakes by engaging persons who are afterwards found to be unsuitable for shop service, but he cannot be excused for retaining them in his employ after he has proved their unsuitability.

The manager must not forget that his assistants are entrusted with the goodwill of the business and that surly assistants can drive away regular customers as fast as they can serve them.

I wish to stress this point of character because the vast majority of the complaints made by customers against shop assistants are on the grounds of the latters' incivility and this incivility is merely evidence of unsuitable temperament. It is true that the trouble is often incompatibility of temperament—a clash of personality between customer and assistant—for many customers are trying and some are deliberately aggravating, but it is in such cases that patience and good temper are required of the shop assistant.

One frequently hears the remark that male shop assistants are more polite and attentive than female ones. If there is any truth in this it may be explained by the fact that so many girls now serving in shops were brought up in the days when parents planned to keep their daughters at home instead of equipping them to earn their own living. Economic conditions have forced these girls to go out to work and they do so gladly enough, but their upbringing shows itself in the offhandedness that offends customers.

LEADERSHIP.

The second point to be considered is that of leadership. If the employee is to be a good grocer's assistant the employer must be a good grocer.

Every successful business, retail or otherwise, has an outstanding personality, and this personality permeates and is reflected by the staff. The business with a personality behind it, or rather *in* it, is a distinctive one, following original lines

and striving, in one way or another, to give the public better service than that given by the shops in competition.

The manager who has the personality should not only develop his own ideas, but he should deliberately strive to imbue his assistants with his ideas, so that they also develop them. In other words, he must not sit in a room behind the shop and make his plans in secret: he must take his assistants into his confidence and let them participate in each move he makes, even if in some cases their support is only moral.

I believe that the apathy shown by many shop assistants towards the affairs of their employers is caused by the action of the employers and their managers in endeavouring to keep the staff ignorant of minor details of the policy and practices of the house. Some things must be kept to the manager's office, but the assistants should know enough of the affairs of the house to make them interested in its progress and to enable them to carry out their duties in an intelligent manner.

THE SHOP MANAGER'S RESPONSIBILITY.

A shop needs the constant attention of a responsible manager, who must be on duty from the moment the shop opens to the moment it closes Whenever the manager is forced to leave the shop for more than a few moments he should appoint a deputy, so that there is no doubt in the minds of the assistants as to who is in charge. There is nothing more annoying to a customer who is making a complaint, asking for a special quotation or requesting some unusual form of service than to be told, "The manager is out and we can't deal with things like that."

A shop manager must not forget that his assistants, especially the younger ones, look to him for guidance in the handling of customers and in their other tasks. His every movement is watched by his assistants and they will unconsciously echo his words and mimic his actions. The more they like and respect him the more they will follow his example and if he makes an error of leadership he will see that error reflected by his assistants again and again. If he arrives late in the morning his assistants will arrive late; if he is familiar to a friendly customer his assistants will be familiar to the customers; if he is untidy his assistants will be untidy and if he is dishonest in word or deed his assistants will be dishonest.

Before leaving this question of leadership I want to point out that it is here that some of our largest employers of shop assistants are at fault. We hear a great deal about the stupidity of the employees in some of the departmental stores, although these stores usually make a very careful selection when engaging assistants.

The truth is that the managers of many of these stores "bite off more than they can chew" by dabbling in commodities that they know nothing about. The versatile draper makes himself master of grocery, provision, ironmongery and many other kinds of assistant, but their trade is foreign to him and he fails to lead them, with the result that the assistants do pretty much as they like and the customers get poor service.

As I said before—if the employee is to be a good grocer's assistant the employer must be a good grocer.

ENVIRONMENT AND SELLING ATMOSPHERE.

The third point to be considered is that of environment.

Every shop has an "atmosphere" and this atmosphere has a great effect upon the assistants and also upon the customers.

The manager's ambition should be to create a cheerful selling atmosphere that will make his shop a pleasant place for customers to visit and a pleasant place for assistants to work in.

Lighting is one of the most important factors in this matter, for electricity is a splendid salesman and it is surprising to what extent a brightly (but not glaringly) lighted shop will attract customers and energise the assistants.

Drapers awoke to this fact with a jerk a few years ago and the transformation from the funereal atmosphere of the old fashioned draper's shops to the bazaar atmosphere of the modern ones is nothing short of startling.

The fixtures of the modern shop are designed to lighten the shop assistants' work and to enable the customers to be served quickly. The manager should see that his counters, window fittings, storage racks, scales and packing facilities are all up to date and designed to meet the particular needs of his business. Economy in these matters is dangerous, for smart service is essential to success in these days, especially when competition is keen.

When shops in close competition are selling proprietary articles their stocks may consist of practically the same range of lines, and under these circumstances it is the shop with the most cheerful atmosphere and the smartest service that gets the business.

SERVICE ROUTINE.

When a number of assistants are employed the manager must devise a definite service routine, so that the assistants come forward to serve in rotation or in order of seniority, and there is no fear of a customer having to wait while the assistants argue as to who shall serve him or of the assistants scrambling to serve a popular customer.

In some shops each assistant has his or her own piece of counter and range of merchandise, but this arrangement is not to be recommended, because customers dislike having to wait to be served while assistants at other parts of the shop are idle.

Apart from counter service, the shop assistants have many important duties, including window dressing, replenishing service stocks, storeroom arrangement, checking incoming goods, pricing, labelling and delivery to customers. It is very important that these duties be given as a regular task to one or more assistants so that the work of the shop is carried out smoothly and systematically.

If a manager neglects this matter and issues orders at the last moment, he is bound to forget to give necessary orders at times and he is likely to be accused of favouritism and victimisation. When orders are given hastily in this way it is usually a case of " work the willing horse " or " the man who finishes his job first gets another " and this has a very bad effect upon the morale of the staff.

REMUNERATION OF SHOP ASSISTANTS.

I am dealing with the question of remuneration last because I do not consider this a prime factor in the employment of shop assistants.

A manager cannot satisfy his assistants in the matter of remuneration unless his business is a successful one, and the success of his business is largely dependent upon his handling of the points already dealt with—the character of the assistants, the merit of his leadership and the atmosphere of the shop.

It may be that there are managers who deal successfully with these three primary points and yet are foolish enough to lose good assistants through underpaying them, but I do not think there are many.

The manager of a successful business usually takes pride in paying high wages because he wants to attract to his shop the best assistants available, and to avoid changes in personnel Frequent changes in personnel will weaken the most powerful retail organisation, for each new assistant must be a passenger for a while and take up a great deal of the manager's attention.

There is the further point that the service given to the customers is adversely affected by these changes and regular customers resent having to explain their requirements to new assistants.

COMMISSION SCHEMES.

In some trades it is the practice for assistants to be paid a low rate of wages and a comparatively high rate of commission on the goods they sell, but this practice is unsafe because it makes the assistants' income irregular and often gives rise to unpleasant and unexpected conditions. A manager who pays his assistants on this basis must expect them to desert him if he is faced with a spell of bad business, to endeavour to spend all their time on the counters and so neglect duties in the shop windows, in the office or in the storerooms, to worry good customers to buy more than they require and to be impatient with customers whose requirements are small.

These dangers may not exist when the commission is a moderate one, paid in addition to a fair living wage, but even then the commission scheme is not a satisfactory method of rewarding good work, if only for the reason that it does not reward the assistant who shows outstanding ability at window dressing, at store-room arrangement or clerical work.

Furthermore, it does not penalise the assistant who is wasteful, and it must be borne in mind that waste is a great source of loss to the retailer. Apart from the monetary loss caused by stock becoming unsaleable or depreciating in value there is the loss of goodwill caused by stock being sold in bad condition.

The best incentive to a shop assistant is the knowledge that his work is under constant observation and that consistently good service will bring him a steadily increasing income.

Next month, Mr. Bolling will deal with the employment of managers, overseers, foremen and other executives.

JUDGMENT is a possession of an enormous value to a nation, and in proportion as it contains men of judgment, in direct proportion will that nation prosper. What is it that I mean by judgment in public affairs? I mean the capacity for taking a large, calm, and unbiased view.

LORD ROSEBERY.

A New Zealand Plan of Industrial Organisation.

A CRITICISM BY Dr. J. A. BOWIE, M.A., D.Litt.,

Lecturer in Economics College of Technology, Manchester.

REPLIES BY Messrs. FRANK HARTY & HARRY VALDER,

Authors of "Wanted ! ! A Practical Solution of Britain's Industrial Problem."

Does Industry need a new spirit ?

The spirit manifested since the War, which is working such havoc with our industrial and trade relations, cannot be permitted to hold the field.

A few more years of it and Great Britain, to save herself from economic death, will be in the position of a man willing to clutch at any straw.

The political propagandist places the blame upon the influence of political propaganda in the Trade Unions. The Trade Unionist, mainly through the mouthpiece of the Extremist, declares that the present system is synonymous with robbery, and refuses to contemplate any improvement which does not include the abolition of "Capitalism." Neither is wholly right : between the two lies the truth.

This Journal stands definitely for Industrial Peace, and is prepared to explore any method which promises even a measure of attainment.

It is in this spirit that we publish the criticism by Dr. Bowie, of the plan devised—and operated to some extent in New Zealand—by Messrs. Frank Harty and Harry Valder, with their replies.

This is not a question of sentiment. It is a definite business proposition. Out of discussion will emerge some plan affording a concrete basis for industrial success in this country.

The history of our land forces the conclusion that this has been the only basis for such greatness as we have attained.

We invite all who are interested to contribute to the discussion which will be continued in forthcoming issues by men prominent by their efforts for the promotion of Peace in Industry.

—EDITOR.

CRITICISM 1. "PARTNER STATUS."

THE object you have in view is excellent, the means to attain it quite inadequate, for the following reasons :—

The promise of a problematic and remote dividend, after the " capital shareholders " are satisfied, is an appeal which will not provide any energising stimulus, and must certainly fail to make the worker feel a " partner " in his firm. To secure these desirable results it is necessary that the worker should acquire a lump sum realisable in case of emergency, and a sum, moreover, which forms an integral part of the capital of the business, and grows slowly according to its prosperity.

REPLY.

The plan does provide a very great " energising stimulus," for the " workers " (*i.e.*, all who contribute service, from the head of the business to the office boy) are assured that all profits earned over and above the hire of capital belongs by right to them. This must act as an incentive to greater effort and increased production.

Common justice demands that the owners of capital must be paid a fair hire, including a risk rate, for their capital. Under the N.Z. plan of industrial organization this is provided for, and all remaining profits belong to the " workers " ; thus placing them in the most favourable position possible. Labour shareholders cannot fail to realise their status as partners, for labour shares convey similar rights and privileges as do capital shares.

It is not suggested that the " workers " should not also hold capital shares but they have not to wait until they have acquired capital shares to become partners in the company. The status of partnership is conveyed by labour shares issued in proportion to the quality of the service rendered by each individual.

The dividends on labour shares may be paid in capital shares, thus enabling the " workers " to become automatically capital shareholders as well as labour shareholders.

CRITICISM 2. CHARACTER OF A " SHARE."

Your scheme makes the worker merely a deferred profit-taker, capital has first to be satisfied. Otherwise the use of the word " share " is mere camouflage, for a share which is of " no nominal value and does not form part of the capital of the company " is no share at all. It is, as you say, a mere " counter."

REPLY.

The " workers " have first claim on the profits for they receive their wages and salaries as an advance payment on their interest in the profits.

The word " share " as applied to labour shares is a correct term, for labour shares convey similar rights and privileges as do capital shares.

The contribution of capital alone does not constitute a company. There must be the human contribution of service to use and exploit that capital.

The N.Z. plan recognises this and therefore provides labour shares for those who contribute such service.

Labour shares have no capital value but they convey the right to participate in the profits and in the control of a company.

It is therefore utterly incorrect to say that a labour share " is no share at all."

CRITICISM 3. ELIMINATION OF DISTINCTION.

The result in practice of this would be that the antagonism—already too great—between the wage or salary earner and the " capital shareholder " would be further encouraged. The great desideratum is to break down the distinction between the two, and not to establish a further antithesis. For, under your scheme the " capital shareholder " has a preferred claim on the profits, and, if labour were to work hard and the profits were sufficient to meet only the, say, 8 per cent. of the " capital shareholders," the worker is certain to feel that he has been defrauded of his due, and he would be right.

REPLY.

Why should Dr. Bowie assume that the N.Z. plan of industrial organization encourages antagonism between the contributors of capital and the contributors of service? Is it not based on a just recognition of the claims of both parties? Each is recognised as making a necessary contribution to industry—one contributes a material " thing," the other contributes human effort.

The owners of the " thing " are paid a just hire for its use, and the contributors of the human effort receive the unlimited surplus results of that effort.

The payment to the contributors of capital is a second claim on the profits, the first claim being that of the contributors of service who receive wages and salaries as an advance payment on their interest in the product.

If after the payment of wages and salaries to the " workers " and the hire of capital to its owners, no surplus profit remains, this should create an incentive to the " workers " to discover how more production could be obtained so as to provide a further payment for themselves.

Normally some of the " workers " would hold both capital and labour shares and thus would receive dividends on both—how then could any antagonism develop in these men?

CRITICISM 4. THE ASSESSMENT OF RISK.

In avoiding details you overlook many difficulties. The dividend declared on the " labour shares " depends on the figures fixed, presumably by the " capital shareholders," for their remuneration. A great many new causes of dispute could arise here The interests of the two parties would, for instance, be directly opposed in regard to the amounts allowed under the following heads:—provision for bad and doubtful debts, contributions to sinking and redemption funds, depreciation and amortisation of plant and buildings, and reserves of all kinds. Again, difficulties would arise in the determination of the " current market value of money," because, although it is easy to state a general figure, it is impossible to be objectively and permanently precise, because, for instance, the figure fluctuates daily. Still more difficult would it be to agree on " a risk rate proportionate to the risk run." In the first place it is impossible to calculate the *future* risk, and in the second place, it will vary indefinitely from year to year. If variation is attempted strife is inevitable.

REPLY.

The New Zealand plan is extremely elastic and can be applied to all types of industry in that it provides the principles and leaves each company to adopt the precise methods most suitable.

It is naturally presumed that any company adopting this plan would do so because those in control were actuated by motives of justice. The plan is based on justice and therefore is calculated to remove friction and conflict of interests. The interests of the capital and the labour shareholders are identical.

Both would desire the success and well being of the company, therefore the obvious necessity for the allocation of necessary reserves would present no difficulty. Capital shareholders do not object, under the present system, to such a procedure, why presume that labour shareholders would act differently?

The " current market value of money " presents no difficulties in the calculating of interest, on overdrafts, mortgages and debentures. Why should it not be just as suitable in this case as a basis for the calculation of the payment to the contributors of capital?

The risk rate is just as possible to calculate as any other risk—*e.g.*, the risk of loss by fire. There are companies now in existence who have been able to assess the risk rate for their capital. This proves that it is not impossible to calculate the risk which industry undergoes.

CRITICISM 5. AVOIDANCE OF DISPUTES.

The possibilities of dispute are made more certain by your provision that the workers in virtue of holding their donated and mythical shares " shall have and enjoy all the privileges of other shareholders " without any of their responsibilities. The workers would then have a measure of control over the figures fixed in respect of the items mentioned above, and it would obviously be to their interests that the company should pay very high profits in good years, even if it meant denuding reserves, neglecting depreciation, etc , and resulted in dead losses in succeeding years. The point is that you do not give the two parties identical interests, you give them opposed ones.

REPLY.

Dr. Bowie states that labour shareholders have no responsibilities, but goes on to say that they exercise a measure of control in the company. Is this not responsibility?

He describes the labour shares as " mythical." If the " workers " have a voice in the control of the company and a right to participate in profits (which Dr. Bowie admits) what conveys these rights and privileges? Surely something tangible and not mythical. Dr. Bowie seems to presume that a labour shareholder as such has less " business sense " than a capital shareholder. Why?

Under the present system it is manifestly to the interest of the capital shareholder that large profits should be paid in good years, for he alone receives them. Is it found that the allocation of necessary reserves is resisted by capital shareholders?

It is hardly a fair contention to state that labour shareholders would object to such a common sense procedure as providing for reserves.

Even the functionless owner of capital evidently recognises the wisdom of providing for reserves and he is much less fitted to judge what is sound policy than the man who spends his daily life in and for the business.

The interests of the capital shareholder and the labour shareholder are identical, viz., the good conduct, success and security of the business, for both have a stake in it, one his capital and the other his livelihood.

CRITICISM 6. INCENTIVE TO PROFIT-MAKING.

Again, a scheme such as yours neglects to provide the incentive of accumulation. However many shares the worker gets, he will get no larger sum in cash, unless at the expense of other workers. If you double the number of " labour shares " you will halve the dividends declared on them. If the worker's interest is to be retained it is vital that he see prospects of promotion, prospects of increasing his return with length of service, not prospects only of receiving more " counters," but of receiving more cash.

REPLY.

The dividend paid on labour shares depends on the amount of profits made.

The incentive is to make more profits so that each labour share pays a larger dividend. As pointed out in reply 1, these dividends may be paid in capital shares

CRITICISM 7. QUESTION OF CONTROL.

If, under sub-clause 3 (e), the worker is denied an effective voice in the management, the only title to call the worker a " partner " will disappear, and to my mind it would not be desirable to give a DEFERRED profit-taker any considerable voice in the control of the company.

REPLY.

Any company adopting the Act and denying the " workers " any share in control defeats the main purpose of its existence—in fact there would be no necessity to adopt the Act in such a case.

Dr. Bowie considers that " deferred profit-takers " should have very little say in the control of a business. This would operate against the capital shareholders as they only begin to have a claim on profits after the labour shareholders have received wages and salaries as an advance payment against their interest in the profits.

The Dennison Manufacturing Coy. of the U.S A. have gone further than Dr. Bowie, as the capital shareholders who are not " workers " have no say whatever in the control of the company so long as they receive a pre-determined hire for their capital.

Dennisons have an annual turnover of about £3,000,000 and are an outstanding success in a land of successful enterprises.

CRITICISM 8. " EQUATION OF SERVICE "

Again while the principle of the respective remunerations of the workers decides the apportionment of the shares among them, there is not, and cannot be, under your plan, any principle other than the will of the management, by which the total number of shares is decided. If, for example, labour was to accept your suggestions and to claim as a right an allotment of " labour shares " in respect of their service, there is no objective principle that would define the limits of their demands. There is, in other words, no equation between the service of labour and the service of investment.

REPLY.

We agree with Dr. Bowie—there is no equation between the service of labour and the contribution (we prefer to call it) of capital.

The contribution of capital is the contribution of a material " thing," the value of which can be assessed and its hire and risk calculated. The contribution of the service of labour is human and is only limited by its creative power, which should be paid for by results and this is accomplished by labour shares.

The total *number* of labour shares issued is quite immaterial as they are issued in proportion to the service rendered.

CRITICISM 9. FAILURE OF " CASH PROFIT SHARING."

Your scheme has all the disadvantages of " cash profit-sharing " which has, on the evidence, undoubtedly failed. It segregates the workers in a class by themselves, gives them merely a deferred interest in the lucky years, does not balance their control by an equivalent responsibility, and gives them no recognised status.

REPLY.

The N Z. plan does not segregate the " workers " in a class by themselves—the " worker " is already in a different class to the non-worker. The plan merely recognises this fact. Under this plan the " worker " has not merely a deferred interest in the lucky years—in every year, lucky or unlucky, he has first claim on the profits, through wages or salaries.

The holders of labour shares have the status and responsibility of partners in the company—what higher status can they have?

CRITICISM 10. CASE OF THE EMPLOYER.

There is no possibility of the ordinary employer being prepared to make the sacrifice you ask for. You ask him to give away his surplus in the good years. You apparently contemplate too that, though the " labour shares," have no nominal value, yet they can have a surrender value under the conditions mentioned in Clauses 4 (3 (5) and (6) of the Act. But surely this is to give the worker the most direct inducement to leave the service of the company in order to realise that value, as he cannot apparently get any cash equivalent for his shares while he remains in its employment, nor can he become a " capital shareholder " unless at the will of the company.

REPLY.

If the ordinary employer is not prepared to make the " sacrifice " necessary to enable those that work *for* him, to work *with* him, then we can see no hope for industry. After all the N.Z. plan only contemplates the application of justice—is the ordinary employer not prepared to do this? He is not asked to give away his surplus profits—he is asked to distribute it fairly to those who have made it, including himself.

Labour shares have no capital value but receive cash dividends.

The surrender value of the shares consists of the equity of such shares in the reserve funds. Such equity could be paid either in cash or capital shares. His shares are automatically cancelled when he withdraws that which entitles him to them, viz., his service; therefore it is unreasonable to suggest that there is any reason for him to leave his employment to realise his equity.

The only valid reason for a company, operating under the N Z. plan, declining to issue more capital shares would be that no more capital was needed and it would then pay the dividends on labour shares in cash.

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* **" WANTED ! ! A PRACTICAL SOLUTION TO BRITAIN'S INDUSTRIAL PROBLEM."** A contribution from New Zealand, by Frank Harty and Harry Valder. Foreword by Sir Lynden Macassey, K.C., K.B E. Obtainable from A R Mowbray and Co., Ltd., 28, Margaret St., W. 1. Price 1/1, post free.

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The Heads of big retail businesses KNOW this THEY KNOW the commercial value of it.

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It is clever Salesmanship which makes customers prefer the services of a particular shop assistant.

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The Saleswoman with knowledge works in much more beautiful surroundings, further adding to her creative powers.

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An optimistic picture!

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YOU MUST LEARN HOW TO USE YOUR INTELLIGENCE.

YOU MUST KNOW HOW TO PROFIT BY YOUR POWERS OF OBSERVATION.

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which are incorporated with

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The Course is specifically designed to develop the qualities possessed by ambitious women and girls

Many women have realised this.

More are doing so.

YOU MAY IF YOU WILL.

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Why stay in the rut?

Be individual through individual instruction.

Write for particulars of the Course and Fees. Your application will receive the courtesy characteristic of the qualified student of the School

Make your leisure time contribute to your career.

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McGRAW-HILL PUBLISHING Co., Ltd.,

6 & 8, Bouverie Street, London, E.C 4.

Miners Return to Work.

F.B.I. Appeal to All Members.

Dear Sirs,

In view of the probable early return to work in the Coal Fields it is extremely desirable that steps should be taken to prevent price increases It should be realised that any excessive demand for coal in the immediate future would automatically mean price increase, and therefore it is recommended that members should limit their demands as much as possible and avoid any attempt to amass surplus stock.

Regarding the price, it must be realised that during the pre-strike period the coal industry was subsidized and it is known that some of this subsidy was reflected in the reduced prices which were ruling during that period. This may have to be taken into consideration when price terms are fixed for new contracts, but nevertheless every effort should be made to keep the increase, if any, on pre-strike contracts as small as possible.

Would you kindly communicate in this sense to any Companies associated with you.

Yours faithfully,

MAX MUSPRATT,

President.

Business Opportunities in Argentina.

By GERALD R. DENNY.

Part II.

UNLESS a manufacturer is in a very large way of business, or is marketing a well-advertised proprietary article, the public demand for which has been, or can be, created without the aid of the importers or merchant shippers, it is scarcely likely that he will open his own branch office in Buenos Aires.

He will be faced, then, by the knotty problem—beset with pitfalls—of securing effective representation on the ground. It may be said at once that there is a great difficulty in securing a *suitable* agent in Buenos Aires unless the manufacturer is prepared to offer attractive terms. There is a large number and variety of manufacturers of all countries who are already represented in the Argentine, and, generally speaking, the big and old-established firms already hold as many exclusive agencies as they can adequately handle. It is useless to approach these people unless the resultant business is likely to be on a very large scale.

In any case, where a Buenos Aires importing house is already holding twenty or thirty different agencies, it is obvious that there will be difficulty in concentrating upon a new line that degree of energy and forcefulness so necessary to its successful establishment.

QUALIFICATIONS OF THE AGENT.

A wise plan, therefore, for the manufacturer or merchant newly entering the market, is to secure the services of a young and energetic man of integrity and ability—either resident in Buenos Aires or with a knowledge of the country—and make it worth his while to concentrate solely upon the one representation, or at any rate insist that no *competition* line shall be carried in addition. Such a man should be generously supported, granted a reasonable advertising appropriation, and allowed to act upon his own initiative.

It is more important that the representative appointed should have a knowledge of Spanish and of the ground, together with proved selling ability, than that he should have a special knowledge of the product he handles. There are highly successful agents in Buenos Aires to-day who carry at one and the same time such diverse lines as textiles, toffee and toilet preparations.

A man of the right type may be secured by advertising in the local press, or in the recognised mediums in this country. The disadvantage of the first-named method is the difficulty of securing absolutely reliable information concerning applicants. It should be borne in mind that there is a time-wasting class of individuals who will apply for an agency on the off-chance of netting a little personal gain from "Expenses Allowance," but with not the slightest intention of doing any serious selling. Such persons tender ostensibly sound references that possess little real value. Independent references should always be obtained.

The selected applicant should be granted a reasonable sum for office maintenance and travelling expenses, an agreed rate of commission, and an allowance for advertising in appropriate local media. At the same time, a certain amount of advertising should be done in the recognised English trade and export journals

NECESSITY FOR SUPERVISION.

After representation has been secured, the manufacturer or a highly trustworthy representative should make a practice of paying periodic visits to the Argentine. This serves the double purpose of keeping the home office in personal contact with local conditions and of ensuring that the efforts of the representative appointed are efficiently maintained. It is well known that the knowledge that the "Boss" is coming out in September acts as a very effective stimulant should there be a temporary inclination (for climatic or other reasons) to take things easy for a while.

A personal visit enables the manufacturer to get the point of view of the man on the spot and to appreciate to the full the many difficulties with which he is faced. On the other hand, it also enables him to form his own judgment of the degree of efficiency with which his products are being handled. The majority of British firms are singularly fortunate in this respect so far

as Argentina is concerned, but there are many others who are not so fortunate and who would do well to introduce a little " ginger " into their agent's activities by means of a personal visit.

No agent likes to lose the representation of a good class house; and it is common knowledge that there are in Buenos Aires many young Englishmen of ambition and ability, but without any particular financial backing, who would jump at the opportunity of handling one of the well-known lines " held " by one of the established agents.

It may be noted as a curious fact, that many British manufacturers, who would not think of neglecting their propaganda at home, appear to expect that, in Argentina, their products are going to sell themselves without the aid of advertising. Needless to say, they will not. Our principal competitor in all Latin-American markets knows better than this—and the result of putting that knowledge into effect may be gathered from the annual statistics of imports into the markets concerned.

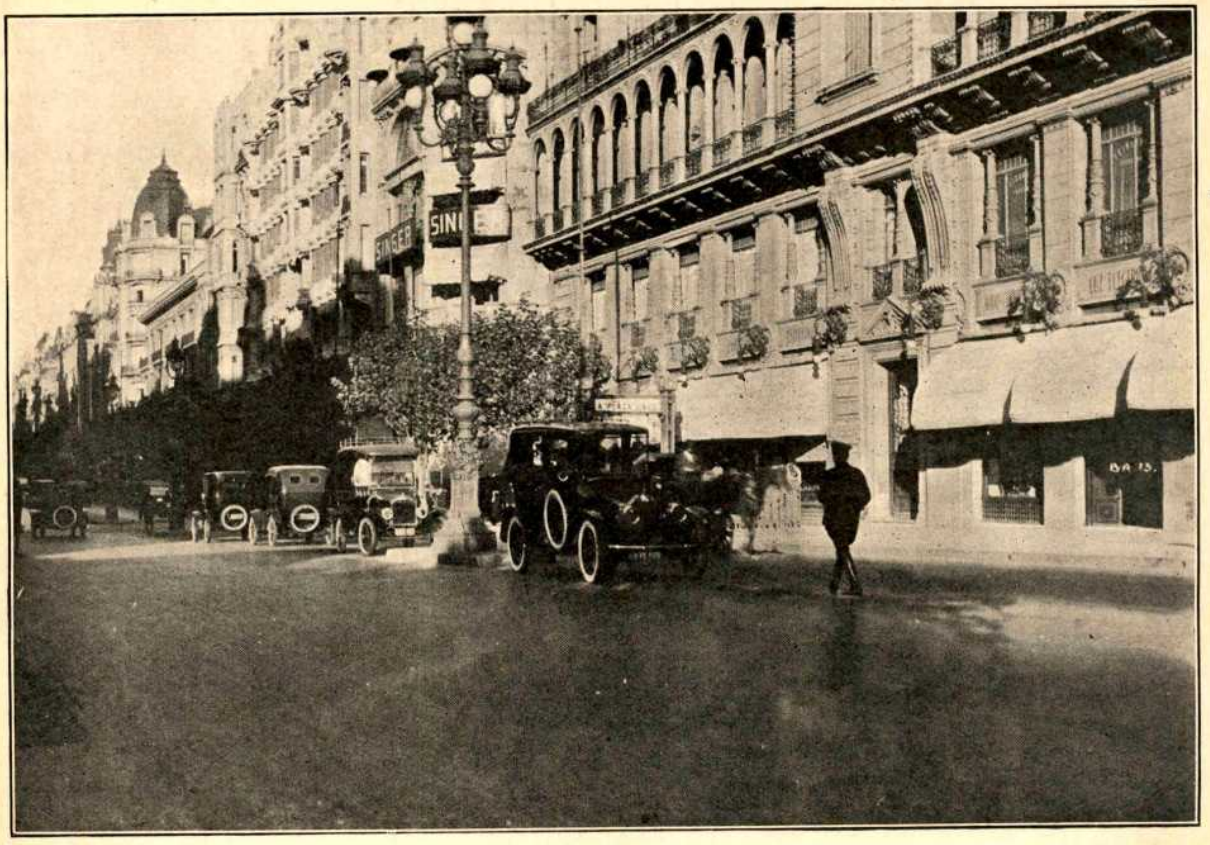
Let it be assumed that the manufacturer—hitherto a stranger to the Argentine market—has decided to enter it; that he has studied carefully the market and ascertained the chances of his product being established there; that he has opened a branch, appointed a representative, or granted an agency; that he has protected his product by trade mark registration in the Republic—a necessary precaution if he is selling branded goods; that he has familiarised himself with intricate customs regulations; in a word, that his export selling machinery is ready to " deliver the goods."

Avenida de Mayo, Buenos Aires.

[From Block produced by Central Process Engraving Works.

He is now in a position actively to commence his advertising campaign, the details of which will, of course, already have been decided upon and prepared in full. The form of the campaign will, naturally, depend upon the nature of the product that is to be sold, the basis upon which it is being sold (*i.e.*, price, high quality, etc.).

Whatever the course adopted, it is of vital importance that the manufacturer should obtain the advice and assistance of somebody—either ad-



Avenida de Mayo, Buenos Aires. Another view.

[From Block produced by Central Process Engraving Works.

vertising agent or his own South American representative—who is thoroughly familiar with the ground to be worked, and has some knowledge of the relative values of the multitude of advertising media that flourish—some mushroom-like—in Argentina.

METHODS OF ADVERTISING.

His advertising will fall into two well-defined categories; that which is conducted in the columns of appropriate journals of the British export Press, and that which is placed in suitable periodicals, or other media, published in Argentina itself.

The former category may well be handled by the manufacturer himself, but he should bear in mind that there are periodicals in existence that claim a circulation in Argentina which is, in fact, of no real value to him. Incidentally, their claims, if thoroughly investigated, raise the interesting question as to what is the true definition of the word "circulation." The writer, who has spent many years in Latin-America, and has visited the offices of some thousands of Latin-American firms, has been astounded since his return to England, by the journalistic enterprises published in London which, although they claim a circulation in South America, he has now seen for the first time.

It is evident, then, that the credentials of a journal, published in England, and claiming a "circulation" in the Argentine Republic, should be closely scrutinised. If, for example, circulation consists in having a free copy periodically filed away in the archives of the local Chamber of Commerce, it is manifestly of no value to the advertiser.

PROBLEM OF TRANSLATION.

The old vexed question of securing really adequate translation now arises. Usually, it is quite impracticable to render literal Spanish translations of advertisements that have already appeared in English. The result is nonsense. An excellent slogan in English may be incapable of being translated into Spanish so as to preserve the terse, driving force of the original. It is, in most cases, best to allow the representative on the ground to put in hand all translations and necessary alterations in the most suitable idioms locally prevalent.

There are a number of facts to be taken into consideration when preparing translations in England. There are important differences be-

tween the Spanish spoken and written in Latin-American Republics and the pure Castilian of Spain. In some Republics, words that are perfectly good Castilian are either not understood at all, or are employed to convey a totally different meaning. Quite often, in neighbouring Republics, the same meaning is expressed by two different words. In Argentina, for example, it has been found necessary to publish a dictionary of local idioms.

VALUE OF LOCAL KNOWLEDGE.

It is well known to anybody who has lived in Argentina and had relations with the trading community, that quite often advertisements from England, otherwise good, are ruined by the utilisation of some word, or words, which, in that particular Republic, convey an entirely different meaning from that intended to be conveyed, with the result that the advertisement becomes a matter for facetious comment and loses its selling value. The local buyer, not unnaturally, is inclined to judge an overseas firm by its attention or otherwise to such points at these. The feelings of the firm's Argentine representative may safely be left to the imagination.

In the opinion of the writer, the most sensible MODUS OPERANDI is as follows :—In the case of advertisements in journals published in England, the translations should be made by competent translators who have a knowledge of the market in question. The ordinary Spanish translator, who has not travelled any further than Spain, is quite useless. Advertisements for insertion in Latin-American periodicals should be left to the discretion of the representative; the text of the advertisement in English should be forwarded to him in order that he may have the translation effected locally. The same remark applies to catalogues, price lists, booklets, etc. In Argentina the art of printing has been carried to a high degree of excellence.

" BRANDED " GOODS AND REGISTRATION.

A matter of paramount importance—in the case of " branded " goods, or any article under a distinctive mark—is the registration of that mark in the Republic before any extensive export is undertaken. The laws in this respect are very lax. It is priority of registration in the Argentine that counts—not priority of ownership. It follows then that anyone may register a trade mark that has not already been registered, and so deprive the real owner of it abroad of the use of it in Argentina. Many unscrupulous individuals, with an eye to the main chance, have made

Plaza Mayo, Buenos Aires.

[From Block produced by Central Process Engraving Works

a practice of registering in their own names popular brands that have been widely advertised in the British press, with a view to levying a species of blackmail if and when an attempt should be made to market the lines in the Argentine. It is within the personal knowledge of the writer that a certain British firm marketing a famous toilet preparation abandoned the Argentine market for many years rather than submit to barefaced extortion.

Among the more obvious possibilities for British enterprise in Argentina may be mentioned the growth of motor transport. The demand for commercial motor vehicles in Argentina has experienced a remarkable increase. In 1924, the total imports amounted to 651 vehicles. The imports for the first seven months of 1925 (the latest figures available) were no less than 4,496, of which 4,000 were Fords, 307 other American makes, and 189 European.

The demand is practically confined to motor lorry chassis, as bodies are generally built locally. The motor vehicle, as a means of transport, is rapidly gaining in public favour, and large numbers of chassis have been converted into 'buses. The general prospects indicate an even more greatly increased demand.

The actual extent to which Britain is participating in this comparatively new demand is sufficiently indicated by the fact that out of the total commercial vehicle imports into Argentina during the first seven months of 1925 (see above) precisely 5 lorries and 43 chassis were contributed by British makers.

A feature of the trade is the greatly increased demand for pneumatic tyres of the type suitable for motor omnibuses. This is due to the remarkable increase of motor passenger services in Buenos Aires. Although road conditions are not yet all they are intended to be, there is an increase in the imports of commercial motor vehicles fitted with solid tyres. Prospects in the tyre trade are good—particularly in view of the extensive road improvements that are steadily being effected.

If it is quite impossible for most British makers to compete upon a basis of price, it is at least possible to compete upon a basis of quality. But

Plaza Mayo, Buenos Aires. Another view.
[From Block produced by Central Process Engraving Works.

the markets and their peculiar requirements must be studied, adequate propaganda must be maintained, thoroughly efficient spare-part depots must be established in principal centres, and fairly lengthy credit terms granted after judicious inquiry has been made.

One can understand that an Argentine buyer, even though he may believe that a British car represents the last word in motor construction, prefers to go to an American showroom and take his car away with him, rather than seek out a British agent and wait weeks for delivery. More especially as, even after delivery has been made, spare parts are some thousands of miles away!

It is not surprising that the existing bias in the Argentine, in favour of things British should have established itself in the realm of sport, resulting in a steady demand for sports requisites and all forms of clothing suitable to such recreations.

TEXTILE MACHINERY.

The consequence of the adoption of sports of British origin is that a very real market for British sporting requisites has come into being and is expanding rapidly. British sports goods manufacturers should keep a careful eye on these markets, as they are likely to be of considerable value in the comparatively near future.

Sports goods are stocked by general stores throughout the provincial districts but, in the important towns, there are to be found numerous large shops that deal in nothing else. Although ostensibly retailers, many of these firms import on their own account, and sell not only retail to the general public, but wholesale to other shops and general stores. Manufacturers contemplating entry to the market should, in the first place, get in touch with such firms (whose names may be obtained through the usual channels) and ascertain the possibility of their particular line being adequately handled.

A much needed development (touched upon in my previous article), that might profitably engage the attention of some enterprising publisher or business firm, is the establishment in Argentina of a group of strictly trade periodicals devoted to the interests of specific industries and stressing the virtues of British products. The writer, who is intimately and practically acquainted with publishing and propaganda conditions in the republic, has been assured of the real need of such a development by business men of all kinds; and there is little doubt that any British manufacturer who subsidized such a project would personally reap substantial material benefits.

SPORTS GOODS.

Another feature in the present-day development of Argentina, that should engage the serious attention of British manufacturers of textile machinery, is the rapid increase in local textile production. This increase is accounted for, to a very large extent, by the protective tariff behind which these local industries are able to grow and prosper and dispose of their products at a price slightly less than the cost of the imported article. It is not improbable that many British manufacturers may find it expedient before long to erect their own factories in Argentina and manufacture on the spot.

To conclude, it may be said with certainty that the great majority of British manufacturers have been affected by the post-war depression in trade. They will continue to be so affected unless, and until, they can find a further outlet for their products in overseas markets. Many firms—particularly textile houses—have undertaken a painstaking investigation of new markets and, as a result of their research, followed by careful reorganization and judicious advertising, they have obtained a footing abroad and are, to-day, enjoying a more stable demand for their goods than is being experienced by firms who have displayed less foresight and energy.

Latin-America, with its twenty-one markets and hundred million population, is awaiting serious investigation by all those manufacturers who have an eye to the future—provided that their goods are suitable to the country's needs. Not least of these markets is Argentina, with its vast undeveloped resources, its rapidly expanding population, and its old established friendship for Great Britain.

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RIBBONS AND CARBONS.

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for Better Business
Foyles have Special Departments for Books (second-hand and new) on Commerce, Industry, Mail Order, Accountancy, and Technical Subjects. Nineteen other Departments each issuing its own Catalogue. Send for Commercial Catalogue 616 (free) mentioning requirements and interests.
This Month's Special Offer.
HANDBOOK OF JOINT STOCK COMPANIES:
Formation. Management and Winding-up.
By GORE-BROWNE, 35th edition, 1922. Published at 15/- nett Offered, practically new, at 10/-; postage 1/-. Sent on approval. Quote offer 616.
FOYLES 119-125, Charing Cross Road, London, W.C.2

National Industrial Alliance

Being an Amalgamation of

The National Alliance of Employers and Employed

and the

Industrial League and Council

Founded 1915. *Incorporated 1921.*

(Incorporating The Industrial League; The Industrial Reconstruction Council; Industrial Information and Higher Production Council.)

for the Improvement of Relations between Employers and Employed

"The Industrial League is an instrument for widening toleration and for effecting a more complete understanding of recurring difference and rival interests"
Rt. Hon. J. R. CLYNES, M.P

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Head Office:
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Telephone: Victoria 2448.

All correspondence to be addressed to the Secretary

(The National Industrial Alliance is responsible only for the matter of its own contributors.)

NOTES.

AT the time of going to press the issue of the Coal Dispute is still undetermined. The Government proposals have been referred to the rank and file of the miners with a recommendation from the delegate conference of the Miners' Federation that the terms be accepted.

A colossal loss has been sustained, estimated at between £400,000,000 to £450,000,000 through the seven months' devastating conflict. The manner in which this dispute has been conducted by all the parties reflects no credit and renders the setting up of an Industrial Parliament a paramount necessity.

* * *

It is gratifying to note that in other industries a better spirit is being manifested. The Joint Industrial Council of the Printing and Allied Trades has set up a special committee to make investigations into methods of advancing the industry with a view to giving better service to consumers of printing and improving the position of those engaged in the industry.

In the Shipbuilding Industry important problems affecting the future are being considered by joint meetings of the employers and the workers.

Negotiations for a new wage agreement in the boot and shoe industry were recently completed between the National Union of Boot and Shoe Operatives and the employers' federation. The union, in a statement issued, observed that the conference was the shortest on record so far as the industry was concerned, and the result, reached by the method of arbitration, was an indication of the good feeling existing between the employers and operatives.

* * *

A close analysis of our industrial troubles and suggested solutions on various lines is being conducted in influential quarters. The conditions operating in the United States and Canada and the theory of the "High Wages Cure" are being examined.

* * *

A further example of the important conciliation machinery in this country is presented to our members in the article by Mr. H. J. Bostock, ex-President of the Boot Manufacturers' Federation, in this issue.

CONCILIATION MACHINERY.
THE BOOT AND SHOE INDUSTRY.

By H. J. BOSTOCK,
(Ex-President of the Boot Manufacturers' Federation).

The disastrous struggle of 1895 taught the boot and shoe trade to pool its interests, not *oppose* them. Peace for more than 30 years has resulted in prosperity beyond anything contemplated previously. The industry has practised self-government in a very real sense.—EDITOR.

THE present organisation of the shoe trade has grown out of the natural instinct to combine for the purposes of defence. Within living memory the industry has changed from a pure handicraft, often carried on at home, to its present highly complex organisation. The same period has seen a great reduction in the number of employers, and a marked tendency for the industry to concentrate in a limited number of centres, such as Northampton, Leicester, Norwich, etc.

Organisation on both sides has come gradually. The workers were the first to appreciate the protection afforded by Trade Unionism, against the pressure of unscrupulous employers taking the fullest advantage of the competitive system. Just as in war, every development in the offensive is followed by a corresponding defensive development, so in industry. With the growing power of the workers, acting through their Unions, came the need for joint action on the part of manufacturers. It was a serious thing for a small manufacturer to be faced by the full strength of the Union, but when his Association could counter a strike against an individual by a general lock-out equilibrium was restored. It was therefore a natural development that led the local Associations to combine in one federated body, and the National Federated Associations of Boot and Shoe Manufacturers of Great Britain was formed in 1891, with Headquarters in Leicester, which were removed to London in 1918.

MAGNA CHARTA OF THE TRADE.

The early years were years of great difficulties. Almost the entire work of the Employers' organisations was to combat the claims of the Union for increases in wages. Conditions of employment were also engaging the minds of both sides, for it was felt that provision should be made for all operatives working in factories, and this involved considerable outlay of capital. The introduction of power-driven machinery added to the complications. Grave differences arose on these various problems, and in 1895 there was a strike and general lock-out which lasted for six weeks. The long struggle in 1895 led to the recognition on both sides of the necessity of finding some other way of settling difficulties than by resorting to force, and it is interesting to find in the first Quarterly Report of the Union that the late Mr. Thos. Smith, then General Secretary, wrote :—

> " In the interests of the Trade as well as the welfare of our Union we urge upon the officers and members the need of cultivating a firm faith in the policy of referring disputes to Boards of Arbitration for mutual settlement, for we believe Arbitration means the safety of Trade Societies; the cultivation of good faith between employer and workman, and the extension of that moral and intellectual prosperity which has attended our leading Trade Unions."

The treaty negotiated in 1895—for so the Terms of Settlement may be called—has ensured the peaceful development of the industry, which today looks to conference and arbitration for the settlement of its differences instead of shaking the mailed fist.

BASIC PRINCIPLES.

The industry recognises that certain questions, such, for example, as the Minimum Day Rate wage and the basis upon which all Piecework or Quantity Statements should be established, hours of labour and conditions of employment are of national importance and are best settled by the NATIONAL CONFERENCE, but that other questions, such as the compilation of Piece Rates, are best settled by district and each district has its own BOARD OF ARBITRATION AND CONCILIATION.

The NATIONAL CONFERENCE is composed of representatives of the Federation on the one hand and representatives of the National

Union of Operatives on the other hand. All centres are represented on the Conference and it is usual for the local Manufacturers' Associations to discuss with their representatives the Conference agenda and to instruct them how to act, always bearing in mind that members attend in the capacity of representatives and not of delegates. The main function of the National Conference is the revision of the successive Agreements that have followed the Terms of Settlement of 1895, and the bringing of their conditions into harmony with the requirements of the time. It should, however, be noted that the Agreement under revision remains in force until a subsequent Agreement has been ratified. The Conference meets under an independent Chairman who is not an arbitrator. It is his privilege to make impartial suggestions which seem helpful, and if the two sides of the Conference should ever find themselves approaching a deadlock on any important matter they would probably ask the Chairman to give a ruling rather than break off the Conference. The National Conference has proved too large a body for the effective discussion of the many details that are involved in a National Conference Agreement, and has therefore entrusted the actual drafting of Agreements to a Committee drawn from both sides, which reports to the full Conference. The Conference in turn recommends the ratification of the draft Agreement by the constituent Associations of the Federation and the Branches of the National Union. The Associations vote at an ordinary meeting, while the National Union takes a ballot of its members.

MACHINERY OF CONCILIATION.

The LOCAL BOARDS OF ARBITRATION AND CONCILIATION are formed by panels of employers and employed in equal numbers. These Boards deal with matters of local concern and are charged with the duty of preparing, when requested, Piecework Statements for their districts and of revising existing Statements for the removal of anomalies. An important provision laid down by the National Conference is that Piece Rates must be such as will enable the average worker to earn not less than 25% over the Minimum Wage rate. The Local Boards also determine all disputes and questions arising in their area and brought before them in accordance with their Rules which require that before the question in dispute reaches the Board, it shall be discussed in the first instance with the employer or foreman, and failing agreement with the representatives of the Manufacturers' Association and the Union, and again failing agreement by a special Committee of Enquiry. This provides opportunity for the prompt ventilation of grievances. If the matter comes to the Board and they are unable to agree on a decision, it may be referred to two arbitrators oppointed by the Board, and, if they also fail to agree, the matter is determined by an Umpire whose decision is final. Meanwhile, there must be no suspension of work.

GUARANTEES OF PEACE.

An essential feature of the Terms of Settlement, is the acceptance by both sides of the principle of arbitration before resorting to force, and to implement this the Federation and the National Union have each deposited the sum of £1,000 with Trustees, one of whom is the Permanent Secretary of the Ministry of Labour. If it is alleged that there has been a breach or nonfulfilment of the Terms of Settlement complaint may be made to the National Umpire, and if he finds the complaint proved, he has power to order that such an amount, including costs, as he may determine, shall be forfeited by the offending Federation or Union as the case may be, and be paid to the other. Special provision is made in the case of a strike or lock-out, which by the original Terms of Settlement and by subsequent National Argeements, is forbidden. If work is not resumed on the morning of the fourth working day after notification of the strike or lock-out, the aggrieved Federation or Union, as the case may be, may claim upon the Guarantee Fund, either by way of penalty or by way of compensation for loss sustained, the amount of such loss to be assessed by three representatives of the Federation and Union respectively, or, in the event of their disagreement, by the National Umpire. Happily the calls upon the Guarantee Fund have been slight, but the Fund acts as a " sanction " and has undoubtedly been a factor in developing the practice of settling difficulties by agreement and discussion.

INTERPRETATION OF AGREEMENTS.

It has been found desirable to set up a small Joint Standing Committee, consisting of three representatives from both sides, to interpret any clauses of the Agreement the meaning of which may be challenged. The earlier Agreements often represented compromises arrived at in the course of discussion and were not always very clearly expressed, but greater care has been given to the drafting of the later Agreements, and the work of the Joint Standing Committee is not heavy.

It says much for the industry that the representatives who form the National Conference and its Committee have been able to reach decisions that have met with the general approval of the industry, which, in the main, has given loyal support to all National Conference Agreements. It has, however, been felt for some time past that what is needed to make the work of the Conference fully effective is that its Agreemeents, when duly ratified by both sides, should be given the same legal force and validity as the Awards

of Trade Boards. Until this has been done there is no legal means of compelling either employer or employed to observe the conditions of the Agreement, although it is universally admitted that, in the long run, non-observance is prejudicial to the interests of both employer and employed. The good employer feels that competition on the part of the employer who refuses to be bound by National Conference Agreements is unfair, and in the absence of means to compel observance of the National Minimum Scale of Wages the temptation to meet under-payment by under-payment is very great.

GOODWILL.

The shoe trade had proved the value of organisation, but the best organisation in the world will not function without goodwill on the part of its members. The industry has been fortunate in securing as its leaders on both sides men possessing an open mind, the spirit of fairness, and a readiness to see the other man's point of view and to search for a working compromise. When employers and employed meet in the course of their daily work, as happens in most shoe factories, the risk of misunderstanding is very much less than in those industries where the workers have direct dealing with managers only and rarely, if ever, in the course of work or play, meet their Directors.

The reply to political thinkers who criticise British institutions is that they work. The same claim can be made for the organisation of the shoe trade. It is far from perfect, but it has kept the peace for over 30 years and is capable of much development. Such a record is at once an achievement and an inspiration.

WASTING BRAIN.

By G. H. Stuart Bunning, J.P., O.B.E.

The "brainwaves" of a workman may be as valuable as the thoughts of a managing director in certain circumstances. To ignore this is to waste potential gain.– EDITOR.

DESPITE the croakers, the British workman remains the best in the world, but it must be confessed that he gets little encouragement to use his brains, for his task is generally allotted, and providing he does it, he is not expected to do more. Nay, he is often positively discouraged, and should he submit a suggestion for better working or a new piece of machinery is generally reminded that his firm is paying men for that job, and he is not one of them. Sometimes, to put it quite bluntly, he is robbed in the most barefaced way of the profit of anything he has invented, and in such circumstances it is natural that any brains he may possess he turns to other account.

There are exceptions to this rule. Lever Bros. have, or had, a scheme for considering suggestions, and some other big firms also, but, broadly speaking, the workman is not encouraged to do any thinking for his firm.

ENGLISH CONSERVATISM.

I am not impressed by those people who yell at us to copy everything they do in United States, but this is one of the things they do better than we, and the difference may be illustrated by two incidents within my own knowledge. In a great English firm, a workman thought out a gadget which he claimed would save a good deal of money, and sufficiently impressed his foreman for the drawings to be sent to the London office. Headquarters wrote back saying there might be something in the idea; would Jones submit a working model, but no facilities could be afforded him. It cost poor Jones a fiver to get the necessary models—and fivers are rare birds to working men—with the result that three months later he got a curt intimation that his plan was not worth while. But that was not all! A year after, someone in the Head Office came across the papers, asked for the models, and when they could not be found, Jones was requested to furnish new ones. Another fiver went, another three months, and another intimation that the idea was rejected. Jones asked for the cost of his models and was informed that the firm could accept no liability. His simple and terse comment was that he would see the show in hell before he wasted any more thought on it, and most of us would have said the same, or words to that effect.

AMERICAN CONTRAST.

Now mark the contrast. An American typewriter firm had a workshop over here, and an English mechanic submitted a drawing for an

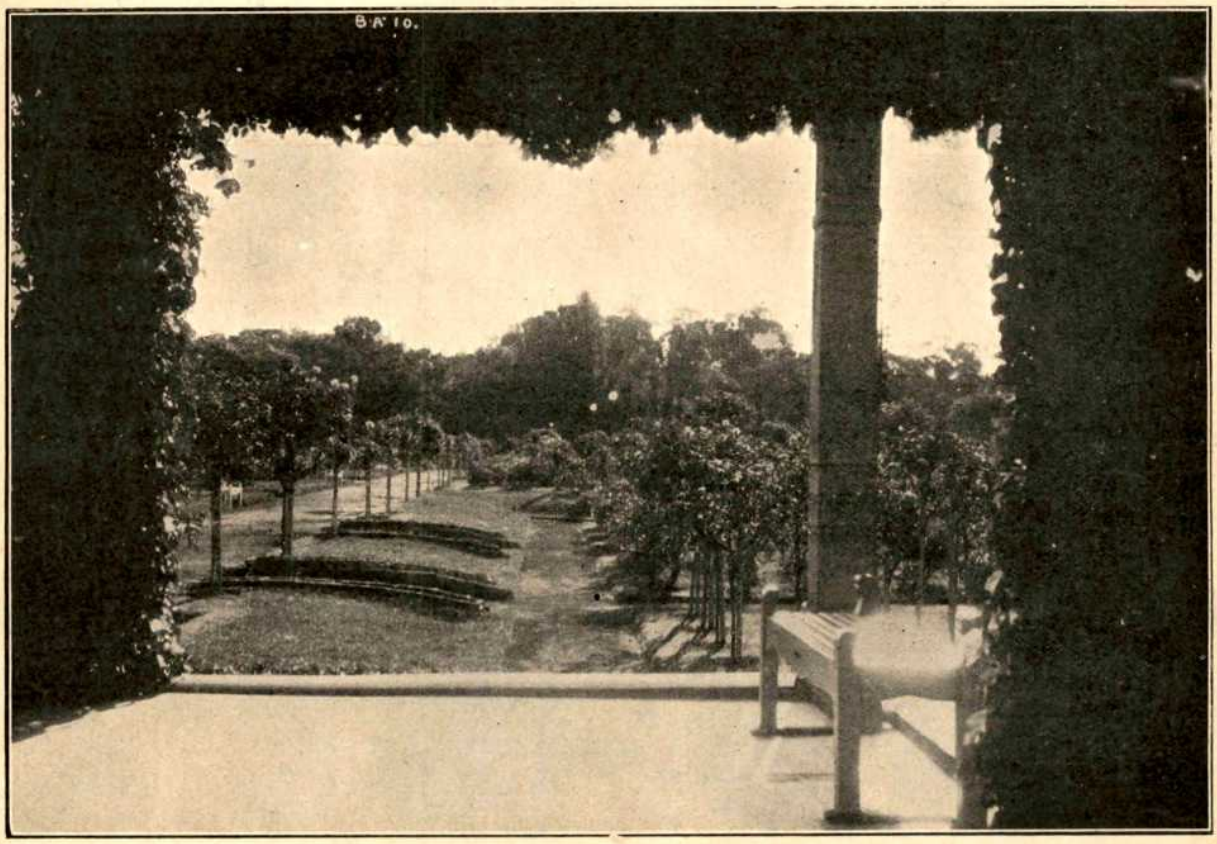
attachment to the typewriter. Unlike Jones, he was told to go ahead in the firm's time, use their material and make a working model. This was submitted to the Works in America and finally rejected. But see how it was done! He was called in one day and given a letter from the President of the Company, thanking him for his zeal and explaining precisely why the idea had not been adopted. The President hoped that his dear Mr. Brown would not be discouraged and wound up by saying that he had instructed the London cashier to hand over a tidy little sum to show the firm's appreciation. Perhaps the main point of the story is that the American firm paid generously for a failure and, so far as I have seen suggestion schemes in this country, failure is rarely, if ever, rewarded.

REWARDING FAILURES.

I suggested this course to an employer friend who exclaimed, "Good heavens, we should be inundated with crank ideas if we did." I am not sure that the idea wouldn't pay even if every failure were rewarded, but, of course, I did not suggest that every crack-brain should make money by absurd schemes, but where it is obvious that a man has given time and thought to an idea it is a paying proposition to give him a bit even if you reject his plan. After all, the rewarding of a failure is for two good reasons. One, to show appreciation of the man's love of his job, and the other to encourage him to go on and succeed. Most successes have been preceded by failures!

PRINCIPLE OF REWARDS.

Then the method of rewarding success is capable of improvement. A saving in office working may be as important as an actual invention, but seldom meets with reward, though this is partially explained by the theory that it is the job of the office worker to suggest economies—a theory which can be carried too far. In talking to members of suggestion committees, I have often asked on what principle they reward successes, but have never been clear that they had any principle at all, for the usual reply is that they consider all the circumstances and then decide. But surely there is a main principle for dealing with successful ideas, namely their value to the firm, but observation of some of these schemes makes one wonder whether the award is not often based on the rank and standing of the man, rather than on the value of his idea.



The famous rose garden at Palermo, near Buenos Aires.

[From Block produced by Central Process Engraving Works.

Making up for Lost Time.

By THOMAS DIXON.

A year ago British trade was recovering slowly from a long period of depression. Then, at a critical moment in our fortunes, came the disastrous coal stoppage.

It cost the Country £500,000,000. All hopes of better business were shattered.

Worse still, it cost us six months of invaluable time. Can we make it up?

LOST time is the worst of all business handicaps. To save a few minutes great industrial organisations will spend hundreds of thousands of pounds.

The runner who loses a second at the beginning of a race is often fatally penalised. At the very least he must make a supreme effort if he is to avoid defeat.

That is the position in which British business men find themselves to-day. We have lost precious time in the race for world trade. Can we make up for the time we have lost?

There can be no doubt about the answer if the Nation, individually and collectively, does its best. The Englishman is never so dangerous as when he is in a tight corner; through all the web of our history runs the thread of great achievement in the face of almost hopeless odds. The Great War showed that we still possess the power to make a supreme effort when the occasion demands it.

The need for the intensive preaching of the gospel of efficiency was never so urgent as it is to-day. We shall never get the supreme effort that is urgently called for unless all workers, both employers and employed, are brought to a realisation of the facts as they exist. And the plain fact of the moment is that if we are to compete successfully with our rivals we must produce goods at competitive prices.

If we could profitably employ the time wasted in business to-day we could undersell our rivals in every part of the world.

I make the statement quite deliberately, and I am confident every thinking man will agree with me.

There are slackers and idlers in business, of course. But the time they waste is a mere drop in the ocean compared with the time wasted by the good, honest, conscientious workers who labour under the handicap of antiquated methods and effete systems.

Time saving is the key of the problem that we have to solve. Only the very best methods, the very latest systems, the most efficient of labour-saving devices will enable us to work out our commercial salvation. Unless we obtain from every worker the maximum productive result of which he is capable we cannot hope to regain our threatened commercial supremacy.

The science of saving time in the business office has reached a very high stage of development. Dozens of processes formerly carried out by the laborious human effort are to-day performed by machinery with an ease, speed and precision which to our forefathers would have seemed magical. The typewriter writes the business man's letters at thrice the speed of handwriting; the telephone carries in a few minutes messages which a generation or two ago would have taken days; calculating machines keep his accounts with amazing speed and certainty; duplicating machines will run off thousands of circulars for him before the old-fashioned printer could have got the matter into type.

Mr. THOMAS DIXON.

And all these wonderful machines have but a single object—the saving of time. That is the sole reason for their existence.

Every moment of time saved is an addition to the productive capacity of the individual worker.

That is the reason, too, for the existence of the Dictaphone, the most wonderful saver of time—with the possible exception of the telephone—known to the business world to-day.

For the Dictaphone shares only with the telephone the power to save the time of the business chiefs, the men whose time is most valuable. The typewriter, for instance, saves the time of the staff: it does nothing for the principal. The Dictaphone, on the other hand, actually does save time and labour for the principal. An hour saved for the man who is directing and controlling business is worth many, many hours of the time of, say, a typist or book-keeper.

For the Dictaphone, the busy man finds incessant use all through the business day—very often long after the business day is ended. For the Dictaphone is always ready for work: that is its supreme merit. The user of the Dictaphone has always at his elbow a silent, efficient, infallibly accurate amanuensis, capable of unlimited work at unlimited speed.

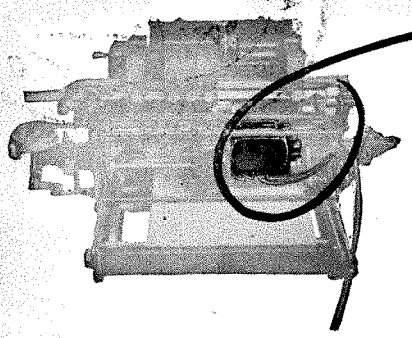
It is no more trouble to dictate to the Dictaphone than it is to lift the telephone receiver from its hook and talk. Indeed, it is less. For with the Dictaphone you have no waiting for your connection, no "wrong number," no "line engaged."

With the Dictaphone you just give your message at once—it may be a ten word memo or a long and complicated document; it makes no difference to the Dictaphone. You just talk, when you like, what you like, for as long as you like. Your Dictaphone will get it all; your typist will transcribe it with a speed and freedom from mistakes which will amaze you.

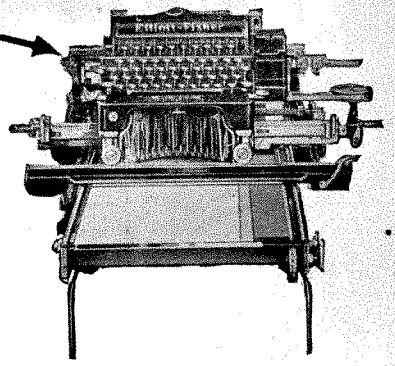
Make a practical test for yourself. Note for two or three days the number of memos you make or would like to make, the number of times you call your secretary, the number of telephone messages you have to repeat to someone else, the records of orders, interviews and instructions you have to make or would like to make. And then try to calculate the time you would have saved, the greater ease with which you would have done your work, the amount of worry and anxiety you would have avoided, if on every single one of those occasions you could have lifted the speaking tube of the Dictaphone and *instantly* dictated what you wished, without the smallest delay, without the trouble of making a single note, without the remotest possibility of forgetting anything, without the slightest fear that your instructions could be misunderstood or ignored.

After that you will want to know more about the Dictaphone. Let us show you how it will help you to make up for the time lost in the past six months, how it will help you to make 1927 the year of your greatest and most successful effort. Test the Dictaphone free for yourself. Send a post card to-day or telephone (Regent 1460) to The Secretary, The Dictaphone Co., Ltd., Kingsway House, London, W.C.2.

THE DICTAPHONE TO MAKE UP LOST TIME.



Quickly, quietly, the motor on the new Elliott-Fisher sends the carriage gliding back and forth over the flat writing-surface. All the operator does is strike the keys.



Perfected!

A new Elliott-Fisher Machine that is automatic and electric!

All present features have been retained—
electricity has been added

NOW power does what hands once did. Quickly, quietly . . . the motor on this accounting machine sends the carriage gliding back and forth over the flat writing-surface. All the operator does is strike the keys. Electricity does the rest.

This new machine, known as the Automatic Electric, is the latest triumph of Elliott-Fisher engineers. In perfecting it, they have retained all the exclusive Elliott-Fisher features which have been proved by years of experience. Nothing has been lost. Electricity has been added.

The new Elliott-Fisher Automatic Electric is simple in construction without any complicated attachments. It has the extreme durability for which Elliott-Fisher machines have always been noted.

Would you like to see the new Automatic Electric—see what it does and how it can be used in *your* accounting department? Say the word and we'll be glad to arrange for a demonstration. *Just write*—Elliott-Fisher will do the rest—*just right*.

Some Elliott-Fisher Automatic Features

1. Automatic Carriage Return Right and Left.
2. Automatic Carriage Return Forward and Back.
3. Automatic Line Spacing.
4. Automatic Circuit Breaker.
5. Automatic Starting and Stopping of Electric Motor.
6. Automatic Column Tabulation.
7. Automatic Accumulation of Column Totals.
8. Automatic Addition, Subtraction or Neutral for Cross Balances simultaneous with Automatic Accumulation of Column Totals up to 29.
9. Automatic Elimination of Computation in any column position desired.
10. Automatic Decimal Spacing.
11. Automatic Proof of Balance Written—Star Signal.
12. Automatic Audit Sheet.
13. Automatic Combination of Related Records.
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16. Automatic Alignment of Forms.

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Business Organisation And Management

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Editorial Notes.

The Outlook for 1927.

THE New Year opens with bright prospects for British trade, and there is every hope that before many months have elapsed we shall have left the long and dismal days of the depression well behind us. Few will mourn from the point of view of business the year that is past. It will always be memorable as the year that witnessed the General Strike and one of the most embittered of the many coal disputes that disfigure our industrial history. Both proved to be complete failures, though they inflicted enormous damage upon our trade and caused a loss of national wealth amounting in the aggregate to some hundreds of millions. But they have cleared the air, at any rate. One of the strongest proofs of the inherent vitality of British trade is the rapidity with which it recovers from such disasters as these, which seem well nigh overwhelming when they occur. We have no doubt that in this respect history will repeat itself.

* * *

Full Steam Ahead.

THE signs of revival are on every hand; and happily they are most manifest in the heavy industries which are the backbone of the country's export trade, and which have been hardest hit during the slump. The one agreeable fact about the sorry coal dispute is

that it has emphasised the superlative quality of British coal through the enforced experience of foreign substitutes. The British Coal trade will not long be in the doldrums. In textiles there are high hopes of early improvement. The Cotton industry, for the first time for several years, is ensured of cheap raw material, and in a position to make a bold bid to recover its lost markets. The Woollen trade is at last free from the disturbing influence of a falling franc, and no longer the victim of unfair French competition. An accession of important new orders has made the position of the Shipbuilding industry much more promising. The Steel trade has large arrears of work to overtake, and with an almost certain reduction in the price of coal, will be more favourably placed than American rivals. The Electrical equipment industry, which has been prosperous for some time, stands only to gain from a general trade recovery. The Motor industry, particularly those plants which supply commercial vehicles, is full of orders. There is no sign of any lull in the activity of the Building trade, in fact, such is the pressure and the shortage of labour that many contractors decline to be bound down to definite dates of completion. Prosperity in these great industries inevitably creates more favourable conditions for the others. Employment is stimulated, purchasing power increased, confidence restored, capital is adventured with greater hope of return, and soon the circle of recovery is complete. It is in such circumstances that the year begins; the voice of the optimist is heard in the land.

* * *

THERE remains but one thing needful—Peace in Industry Given this, all things are possible: without it, all else is dead sea fruit. A laudable effort has been recently made by many newspapers to impress the public conscience with this vital fact, but we would invite our readers to take pride in the knowledge that their own journal, under the present Editorial direction, has consistently emphasised the prime importance of this Question. More, it is the definite undercurrent of all that is done or contemplated by the magazine. In all this, nothing of interest or efficiency is sacrificed, it is indeed rather promoted by it. Appreciation could not be better expressed than by the remarkable growth of our subscription returns during the past three months.

* * *

WE have endeavoured to give effect to the time-honoured practice of New Year Gifts, by increasing the value of the magazine. On other pages our readers will find that a world-wide connection has been established for the purpose of providing them with knowledge of a very material value. This is our interpretation of service in its highest sense. Further, it is in accordance with the policy of the journal, referred to above, for second only to Internal Peace, is the necessity for International Peace, and it is our considered opinion that this can best be promoted by a better knowledge of each other, amongst nations, and no channel could provide a more effective medium than co-operation in trade and commerce

* * *

Does Income Tax affect Prices?

THE Trade Editor of the "Daily News," whose able weekly survey of current industrial conditions is widely appreciated by business men, dealt pretty severely in a recent issue with the theory held by some economists that income tax cannot affect prices or the cost of production inasmuch as it comes exclusively out of profits. He took as an illustration the Cotton industry, which is typical of many others, whose products pass through various stages of manufacture before they reach the consumer Cotton arrives in Lancashire in the raw state, and is finally sold in an infinite variety of fabrics. What happens in between?

> British importers buy it; British shipping companies carry it; it is sold on the cotton exchange here; it is carried in its raw state on the railways or by motor lorry; it is cleaned and mixed and carded; it is spun; it is woven; it is bleached, printed, made up into garments, transported over and over again, merchanted and retailed Perhaps a dozen different firms handle it while it passes through these processes. Each one of them who is making profits on his business pays his income tax.

Is not the truth, this writer asks, that the market price at every stage is itself affected—raised—by taxation in the earlier stages? In high quality goods, which are but little subject to foreign competition, the price is fixed by the seller at home, and heavy taxation of profits is a concealed but inevitable factor in that price.

* * *

A Dear Capital Market.

HIS conclusion is that British taxation, which now amounts to £18 15s. 6d. per head, is undoubtedly exercising a very deterrent effect upon the ability of our industries to compete with the foreigner. The present level of taxation is not inevitable, he maintains, and should speedily be brought down. Attention is drawn to the alarming growth of Government expenditure, and it is pointed out that the present

administration has actually increased the cost of national debt services although the debt total is lower, and created dear money conditions over a considerable period. The Government's readiness to pay heavy rates for its Treasury Bill borrowings has made all three months' loans higher, and all long-term industrial borrowings are more expensive than they ought to be.

* * *

A Lower Bank Rate?

THIS weighty criticism will be endorsed by all manufacturers, among whom the feeling is often very strongly expressed that the national financial policy has actually aggravated the extraordinarily difficult conditions through which our productive industries have been struggling. Producers feel that they have a real grievance in this respect. The support which a policy of cheaper credit would bring to the nascent industrial revival is impossible to exaggerate, and business men are anxiously awaiting an announcement in this connection which surely cannot be much longer delayed.

* * *

Growth of Credit Insurance.

AN international conference on Credit Insurance was held in London last month, which served to draw atention to the rapid growth of this useful form of protection. The idea of credit insurance was started in this country in 1896, when the Trade Acceptance Guarantee Syndicate of Underwriting Members of Lloyds was formed. In 1918 the Trade Indemnity Company was founded with a capital of £20,000. The company was reorganised in 1924, when the authorised capital was increased to £250,000. Though the coal stoppage may have caused a check in the rate of expansion, credit insurance is being increasingly adopted by manufacturers, importers and exporters. The policies now issued cover only transactions concerning actual buying and selling of merchandise. It is stated that the Trade Indemnity never issues policies covering a transaction entered into more than 14 days before definite application for the policy has been received. Moreover, the Company only accepts a proportion of the risk. Sometimes this is 50 per cent., but never more than 75 per cent.; the remainder must be borne by the assured himself. Other forms of credit insurance are practised by leading accident insurance companies, and of course there is the Government's Exports Credits Scheme which has done useful service during the depression. There is, moreover, a considerable business developing in the provision of cover for hire purchase transactions in certain retail trades.

The Five Day Week for Ford Employees.

THE five day week has now been established at the Ford Motor Company's factory at Trafford Park, Manchester, the American company's experiment in this direction having proved satisfactory. A minimum rate of 24s. per day is paid to the employees, and the company announces that as the introduction of the new system necessitates a revision in the rate of pay of workers paid on an hourly basis, immediate steps will be taken to ensure that under the new conditions the willing worker will be able to earn as much in five days as he previously did in five and a half. The management is satisfied that an equal volume of production will be maintained Mr. Ford believes that as the workers form the largest consumers of goods, increased leisure will result in an increased demand for products of all descriptions.

* * *

American Trade Prosperity: When will it Decline?

MANY economic students in this country are watching with keen interest the course of American trade. It has long been thought to be at the peak, and signs of decline have been expected, but there is as yet no apparent halt According to the theory of the trade cycle, the curve of American production should be showing some declination, but the upward movement continues, to the surprise not only of our own observers but even of the American experts themselves. Obviously it cannot go on rising for ever; the question is how much longer will the fall be delayed. The American Ambassador had some interesting things to say on this question at a Thanksgiving Day dinner, from which it may be inferred that in his view, at any rate, this inevitable decline is by no means imminent. While allowing for certain great physical advantages which America possessed, he attributed its prosperity very largely to two factors, and these, it may be noted, should have a permanent effect upon production. First, he referred to the added power which machinery gave, and said that behind every industrial worker in America stood on the average roughly four primary horse power, and 6,000 dollars of invested capital. This meant that the individual's power of production was, by the aid of machinery, multiplied by forty. Obviously his product, comparatively, must be enormous, and his share in the product—his wages—must be enormous also, which explained that puzzling paradox, how with high wages they obtained low costs.

New Spirit in American Industry.

THE second factor to which the American Ambassador alluded was the spirit in which the whole problem of production was being approached, and he said (according to the *Times*) that here they had learned something, and as a consequence were leaving behind the time when the three major elements in production—capital, management, and labour—believed that its own interests were best served by active hostility to the others. Such an attitude could not endure an instant when a maximum output was seriously sought. A true spirit of co-operation had been developed. "It meant a form of organisation which enabled each contributor to production to receive his proper share in the product." The exploitation of labour became as uneconomic as the waste or restriction of capital Among other results *it was certainly making the labourer into a capitalist*; and most hopeful of all, it was tending to make industrial war, with all its wreckage and senseless destruction and human misery, an indefensible thing. The American Ambassador added, that after all these years, he believed, they had at length practically and definitely found the right road.

* * *

Hope for Ourselves.

"PEACE hath her victories," and it may well be that, if his diagnosis of the American situation is sound, this is a case in which she has falsified the tables of the staticians With such a spirit in British industry who can doubt that the doleful jeremiads of those who do not hesitate to suggest that the day of our industrial leadership have passed, will be equally discredited.

* * *

Broadcasting Commercial Publicity.

COMMERCIAL publicity is happily a feature conspicuous by its absence from the programmes of the British Boadcasting Company, though it is freely indulged in by the broadcasting stations of America and France. In France it is an unmitigated nuisance. At the present time a lively dispute is in progress owing to what is alleged to be unfair discrimination on the part of the Government in prohibiting the broadcasting of commercial publicity by the Eiffel Tower station, while similar announcements from the other two Paris stations, Radio Paris and the Post Office station, are ignored. A special censor has been appointed to cut off the transmission when publicity announcements are broadcast from Eiffel Tower, though nothing is apparently done to put a stop to the much longer advertisements broadcast from Radio Paris and the P P.T. Critics of the Government affect to discover in this curious policy some underlying political motive, and there is a pretty storm in the Paris press about it. Another very objectionable type of publicity has lately been introduced into Paris, loud speakers having been established at some of the principal traffic points, which blare out advertisement announcements to the hurrying passers-by. This adds a new terror to life in Paris. Some such useful legislation as our own Advertisements Regulation Act seems to be called for in France to protect the ordinary citizen and the visitor from publicity abuses of this description.

* * *

Growing Popularity of Electricity.

THE sixth annual report of the Electricity Commissioners for the year ending 31st March last records a further striking increase in the public use of electricity. The sales of electricity by the 596 authorised undertakings in this country have increased by upwards of 50 per cent. since 1922. A grand total of 8,122,961,823 units was generated during the year under review, showing an increase of about 9.5 per cent. as compared with the previous period. The total represents an average consumption of approximately 125 units per head of the population; and this takes no account of supplies generated by railway and tramway stations for traction purposes, or of those generated privately by industrial and commercial companies Although we are still comparatively backward in the use of electricity as compared with America and certain continental countries, there is no doubt that leeway is being rapidly made up, and now that the Electricity Supply Act has been passed, the stage is set for a further important advance in the electrification of industrial plants and in the application of current to domestic uses.

* * *

Business Failures in 1925.

THE Bankruptcy Report of the Board of Trade for 1925 was issued last month. A total of 400,708 receiving and administration orders were made during the year, which shows a decrease of 86 on the previous year. The debtors estimated liabilities were £10,617,899, or a decrease of £1,999,185 on the previous period. Under a total of 1,877 deeds of arrangement the estimated liabilities were £4,455,569, an increase of £127,268. There were 444 failures among women Thirty-seven prosecutions were ordered during the year.

Britain's Crucial Year.

Bright Gleams on the Industrial Horizon—The Meaning of Capital Reconstructions—A few Investment Hints.

By OUR FINANCIAL EDITOR.

A NEW year is at any time important to trade. This year it is specially so.

At the end of the old year the business man looks into things. His books are gone through. His accounts are paid. His bank makes up his balance. His stocks are put in order and valued. Whether the year has been good or bad, he turns his eyes and hopes on the new year. Here is a now spotless sheet of time's book spread open before him. He determines to fill it with new ideas, new enterprise and success. May the new year see all such hopes and determination realised in our great workshops, stores and offices! Are there any signs that it will?

I said above that this new year was specially important. For Great Britain I believe it is crucial. It seems incredible that the winter we are passing through is the seventh winter of unemployment. During nearly seven long years industry as a whole has shown diminished activity, and unemployment has only once gone below 1,000,000 persons and has been nearly 3,000,000 at the highest point. The constancy and size of the problem has blunted our senses to its real menace, so much so that statesmen before the coal dispute were speaking of there being only 1,000,000 unemployed. Before the war the figure would have appalled us. Because of these dreary years we are not as strong financially as we should have been; there have been failures, losses, a great accession of borrowed money, writing down of capital, and so forth. And when I say this year is crucial, I mean that if these things continue in any great measure to the end of 1927, we shall then be faced with graver problems than any we have known since the war.

NO NEED FOR GLOOM.

If it is important for us to begin the new year with a clear knowledge of our problems, it is none the less important not to be gloomy. It is the merry heart that goes all the way. Few people know the facts about Britain, even few Britons. The facts taken as a whole are not gloomy. I know some people think they are. In the past few years I have visited a majority of the countries of Europe, and I have met in most of the capitals people who, not without a keen enjoyment, predicted the decline of industrial and commercial Great Britain. They said we in this country were second class. I have heard that in Berlin, but never from a German; in Paris, but never from a Frenchman; in Brussels, but never from a Belgian. No; always the gloomy prophet has been a travelling American. Americans having convinced themselves we had gone down to second class, have come over in the past two years to tell Europe so. They have done so with a conviction based on anything but the facts. Fortunately our neighbours in Europe know better. They know, as I said above, that there are plenty of bright spots in our gloom.

OUR NATIONAL SAVINGS.

Not long ago I was delighted by the opportunity I got when asked to write the economic truth of our situation for a New York agency which supplies articles to scores of American newspapers. I wrote a review of the taxation we poor Britons bear; of the hundreds of millions we have paid off our debt in the past five years; of the way in which we pay the debt to America; and then showed that in spite of all our war losses, our payments to the U.S., our unmistakably bad trade, we are still able to lend a lot of money abroad, and were in fact still showing a surplus of about £400,000,000 per year on our entire national activities. That huge figure represents our national savings even in these terribly bad days. The editor of the articles wrote back, saying, " I thought England was going to the dogs; you have opened my eyes."

Let us open our own eyes if we are pesimistic. Britain is not ruined ; she is simply doing less well than she used to do. Our national savings before the war, for instance, calculated on the present value of the pound as a purchasing instrument, were not less than £600,000,000. Instead of being a debtor to America, we were then her principal creditor. About £1,100,000,000 of her bonds and shares were owned in this country. We sent them back in the war to pay for our and our allies' fighting expenses. Money was so plentiful with us that London was far away the cheapest borrowing centre in the whole world. We must therefore admit, as I told

the American newspapers, that we are a lot poorer than we were; but with new capital still growing at about £400,000,000 a year we need not think that we are in any way down and out.

HANDICAPS REDUCED.

Here then is one solid foundation for optimism in 1927. Another is the fact that many of the handicaps which forces originating abroad have placed on our industry are now either exhausted or disappearing. As the greatest export workshop of the world Great Britain has always been curiously sensitive to the outside world. Consequently the world's harvests have a vital consequence to us. Up to a couple of years ago food imports and such raw materials as cotton were extraordinarily costly to us. They kept up at our export prices. They are no longer so dear. All through the last five years every industrial rival country has enjoyed unfair advantage at some periods from depreciated currency. That is all passing away. Finally all through the black years we have ourselves put handicaps on our trade by trying to do two totally opposite things—namely, make the pound sterling of full value outside Great Britain and yet maintain our high prices for all the goods we sell to the world. At long last these things too are adjusting themselves; but by no means to the full measure. A great movement of readjustment is still in progress.

We see signs of this readjustment everywhere. The end of the coal dispute was the principal one so far. The reorganisation schemes of great industrial concerns is another. I know of nine schemes of reorganisation and reconstruction, of which only three have up to the end of the year been made public the others are in progress. Possibly the whole nine will involve the writing off as lost of about £15,000,000 of capital A good many people regard these reconstruction schemes as in themselves a sign that we are losing ground. I do not think that is true. In many cases they indicate simply that we are finding our senses. The money was lost long ago. Much of the capital written off was added without cost to the shareholders (when industry was booming) by bonus issues of shares. In these cases, at any rate, the processes mean a healthy return to a sounder condition. When the writing down is not too drastic it often means no actual loss of real worth. For instance, in one case I know, shares subscribed for in 1919 at £1 each have been cut down to 10s. each, and there is an excellent chance of their full dividend now being paid Here there is no loss at all in real value, since the 10s. is now worth what £1 was worth at the time of subscription. The firm in question is relieved of a mass of capital it cannot carry and has been enabled to put down its assets at a price they would actually fetch if offered for sale.

BURDEN OF LOANS.

There is, however, one very serious aspect of reorganisation schemes which ought to receive very careful attention. Most people nowadays know the distinction between loan capital and share capital. Loan capital is in debentures, debenture stocks, bonds, and is a mortgage generally speaking on a company's freehold and leasehold properties, its fixed plant and machinery, and a floating charge on its liquid assets. Share capital is a partnership. The loan capital is entitled to interest whether the company makes or loses money; the share capital must go dividendless if there are no profits in hand to pay a return. The loan capital must be repaid in full as long as the assets are sufficient to pay. Share capital has only a right to what is left.

In some reorganisation schemes last year practically the entire assets of every kind of several firms were put entirely in the hands of the people who had lent money to them, the share capital being put into cold storage. In company law this is quite right. But I have no doubt personally that its equity is bad. Much of the loan capital had been created after the share capital and put in front of it without the active approval of the shareholders. Its very creation destroyed their equity in the undertakings. More, the loan capital was borrowed on very dear terms—that is, at nearly usurious rates. Again, it was borrowed when money had a low purchasing power. It has to be paid back when it is at high value and hard to get. Thus the burden of the loan capital cannot be lessened and its presence means that the value of the share capital is virtually reduced by about 70 per cent., and may be reduced more.

TOO MANY LOANS.

If these cases lead the investor to study the science of capitalisation of companies, the benefit will be enormous. They show him that a great weight of loan capital is a menace to all share capital in a company. They show him that loan capital abrogates all privileges to itself and has legal rights which push the shareholder outside the door. A consequence of these reorganisations should be to lead all companies to determined efforts to clear out all loan capital as quickly as possible. Another should be that investors

will insist that the directors of any companies they are associated with shall only have the most limited borrowing powers. In many companies now paying dividents it would, in my view, be great wisdom on the part of directors and shareholders to sacrifice those dividends for a year or two and devote the saving to clearing bank and other forms of loans out of their balance sheet. As a general precept to industry and trade I do not think any slogan could be better than "Get rid, if you can, of all loan stock and all but absolutely essential bank loans."

I know I am giving a counsel of perfection. But I believe the final and most important step for the recovery of British industry is a reduction of interest payments. By using capital well a little of it can be made to go a long way. In the war and the post-war boom people in business got accustomed to regarding borrowing in a more easy way than ever in our industrial history before. One result of that is that there are now bank advances which cost the borrowers about £50,000,000 a year and probably about £30,000,000 of that comes out of industry. It is too much. Get the advances down.

Good harvests, stabilised currencies abroad, our industrial capital cleansed of useless charges, peace with the workers, and a high degree of willingness to give service among our countrymen—some of these we already have and some we shall get. If we achieve them all in 1927, it will be our greatest year since the war.

Stocks and shares are in the year end idleness as I write. People are spending money on Xmas, not investing it on the Stock Exchange. A good time to buy is the dawn of the year. I very strongly recommend Associated Dyers' Ordinary, which will be fully paid after January 3rd, 1927, at anything up to 26s. Rylands and Sons Preference (8 per cents.) yield £5 18s. 6d. per cent. per annum at 27s. a share. Dividends are paid February and August. They are backed by an exceptionally capable management and abundant assets. They should go to 30s. to 32s. by next dividend date. Scottish and Southern Counties' Investment Trust was formed in December, and issued £600,000 in £1 shares Only 5s. per £1 is yet paid; 7s. 6d. per share is due on March 1st, and 7s. 6d. per share on May 1st, 1927. There is a very good board. After all instalments are paid the shares will be converted into Stock in the proportion of 60 per cent. Preference Stock, and 40 per cent. Ordinary. I expect these shares when fully paid to have a strong upward career. The investment trust business is at present enjoying the best of opportunities.

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Granville Chambers, Bury Street, W.C.1.

Business and the Law of Agency.

By F. E. SUGDEN, A.C.I.S., F.R.Econ.Soc., *Barrister-at-Law.*

The relations of Principal and Agent are so varied, and as a consequence present difficulties of an involved character. This second article will assist in a more thorough understanding on both sides, resulting in a mutual appreciation of, and sympathy with, the problems of each. The Editor will be pleased to furnish replies to requests for further information within reasonable limits.

IN the last issue reference was made to the creation of agency, the authority of the agent, the delegation of the agent's authority, and, finally, the ratification of an agent's authority by a principal. It is now proposed to discuss the rights of the principal against the agent, and, naturally, the converse, namely, the rights of the agent against the principal.

The rights and duties of the principal and agent are governed by the contract, express or implied, which brings their relationship into existence. The first duty of an agent is to carry out the business he has undertaken. If the agent receives definite instructions from his principal as to the manner in which the business is to be carried out, the agent must follow them strictly, provided that they be lawful, and if he does so, the agent is not liable to his principal because the consequences differ from those which the principal anticipated. An agent has not even the discretion, even though he acts in good faith in the interests of his principal, e.g., a solicitor, even on the strong advice of counsel, cannot compromise an action against the express instructions of his principal (*Fray v. Voules*).

Unless special instructions to the contrary, the agent must always be guided by the honest exercise of his own judgment and the interests of his principal. If his instructions leave two alternative courses open to him, the agent incurs no liability merely because he chooses that course which proves in the event less favourable to his principal.

Unless the delegation is immaterial or where the agent has the principal's permission, the agent must carry out his own duties, and if, incidentally, he delegates his duties he inevitably commits a breach of contract which he has made with his principal. It is important to note that an agent is not permitted to use information that has come to him during the agency which would be detrimental to the principal if given to the world. This ruling equally applies whether the agency has come to an end or not (*Robb v. Green*). If an agent is liable for breach of duty the principal may sue the agent for damages.

Every principal is entitled to expect the agent to use proper care, skill and diligence in the execution of his duties, and each case must be judged on its own particular merits.

In the case of an agent acting gratuitously he is only expected to use reasonable skill, but in the case of a paid agent a higher standard is required. The agent must not be guilty of delay in carrying out his instructions, or even in communicating to his principal any material information (*Proudfoot v. Montefiore*).

Unfortunately, many vexed problems constantly arise as to accounts and moneys received by the agent on the principal's behalf. What is the law in such circumstances? It is the legal duty of an agent to keep accurate accounts of all his (the agent's) transactions and to be prepared at all times to produce them to his principal (*Pearce v. Green*). Also, all books and documents relating to the principal's business must on demand be produced to the principal or to some person named by the principal, unless the agent has a valid objection, particularly to the person so deputed. Under all circumstances the principal has the legal right to inspect the agent's books, etc.

Any money or other property entrusted to an agent by his principal or received by him on his principal's behalf must be kept separate and not mixed with his own. Otherwise, all which the agent cannot show to be his own will be presumed to belong to the principal (*Lupton v. White*). Where moneys are received on behalf of joint principals, the agent is liable to account to them jointly and is not

discharged by payment to one or more of them only, unless by authority of all (*Lee v. Sankey*).

What is the legal position when an agent's own interest conflicts with that of the principal? An agent is not allowed to conflict his duty with his interest, and therefore the agent must not enter into any transaction likely to produce that result unless he has first made to his principal the fullest disclosure of the exact nature of his (the agent's) interest. Where an agent who is employed to buy property on his principal's behalf whilst in fact the agent sells his own to the principal and thereby makes a profit, the principal may either rescind the contract or sue for damages, or even do both. It is worthy of note that the measure of damages is no more than the full amount of the loss actually sustained only.

Coming to the legal rights, the agent possesses against the principal. The agent has the legal right to remuneration in accordance with the contract bringing the relationship of principal and agent into existence. In the absence of an express contract, the agent's right to remuneration may be implied from the circumstances of the case. The mere fact of employment of a professional agent, e.g., a stockbroker or an accountant, gives this type of agent the right to remuneration in accordance with the usages and customs of the agent's profession.

Remuneration can be claimed only in transactions which are the direct consequence of the agency, e.g., *Burchell v. Gowrie and Blockhouse Collieries, Ltd.*, where an agent had introduced a customer and the principal had sold to such customer behind the agent's back and without the agent's knowledge the Court laid down that the agent was entitled to commission. But note the case of *Brinson v. Davies*, where house property was put into the hands of an agent for sale, who found a person willing to purchase it, but the owner of the house property had already sold the property to another; the agent and the Court held that in the absence of an agreement to the contrary the agent was not entitled to any commission.

Unfortunately, sometimes a principal endeavours to frustrate the agent's efforts in order that he need not pay a particular individual commission. What is the legal position under such circumstances? If an agent is prevented from carrying out his duties to earn commission because of the wrongful act of his principal, the agent is entitled to the amount of the remuneration he would have earned in the ordinary course of events.

What is the law in reference to agent's expenses? Provided that there is no specific contract to the contrary and also provided that the expenses actually incurred were sums also actually paid whilst the agent was acting for and behalf of the principal, the agent is entitled to all expenses and to an indemnity against all liabilities whilst acting for and on behalf of his principal.

The question arises is: Has the agent any security for the payment of his remuneration apart from his redress to the Courts? The answer is in the affirmative, because the agent has a lien (i.e., a legal right, one person has to retain that which is in this particular person's possession belonging to another person, until certain demands of the former person have been satisfied by the latter person) on the goods of his principal in respect of all claims against the principal arising out of the agent's employment, whether for remuneration earned or for expenses or liabilities incurred. But it is very important to note the legal decision in the case of *Dyson v. Peat*, where the Court laid down that where an agent has acted for his principal in working a colliery and so rendered himself liable to future claims for damages by surface owners, and moneys have subsequently come into his hands outside his agency but as trustee for his principal, the agent is not entitled, either upon principle or authority, to a lien upon such moneys to answer possible future claims where no liability has yet accrued and no cause of action by surface owners has yet arisen.

What is the legal position when goods are actually in the course of transit? If an agent has bought goods on behalf of his principal, either with the agent's own money or under such circumstances as to incur a personal liability towards the seller for the price, the agent can withhold delivery of the goods until he has reasonable grounds for believing that his principal will reimburse him. The agent has the legal right to have an account taken of all transactions in which the principal and the agent are involved with the object of the agent more accurately ascertaining what sum is actually due from the principal to the agent.

One desires next to discuss the question of the principal's legal relation with the world at large after he (the principal) has appointed an agent to act on his behalf.

The principal is bound by every act done by the agent which is expressly authorised or which is necessary for the proper execution of the agent's duty. Where a person has by words or conduct held out another person as his agent, this person is bound as regards his relationship to the world in general by the acts of such other person to the same extent as he would have been if such other person had in fact had the authority which he was held out as having, e.g., a person who had always ordered goods himself employed another person, who never had authority to buy goods, but the other person, after his dismissal by the former person, on two occasions obtained goods from a tradesman on the pretence that he was acting for the person who had previously dismissed him, and his former employer settled two accounts in which these goods were included. The agent was still deemed to be acting on behalf of the agent.

It is worthy of note that an act done by an agent is not done in the ordinary course of business or falls outside the apparent scope of the agent's authority, the principal is not bound by such act, even if the opportunity to do it arose out of the agency. If the principal subsequently takes the benefits of the agent's actions the principal is bound.

What is the legal position of the principal when goods are entrusted to the agent's keeping? Where an agent is entrusted with any money, goods or other property belonging to his principal, no disposal of the property is permissible without the authority of the principal. If an agent goes bankrupt the principal is entitled to reclaim his goods provided no debt is still outstanding by the agent against the principal.

Where the agent has mixed his principal's money or property with his own, the principal has a first charge, as against the agent's trustee in bankruptcy and creditors, on the mixed fund, provided that the money, etc., can be clearly identified. Where the agent has misappropriated his principal's money or property the principal is entitled, against the agent's trustee in bankruptcy and creditors, to follow the proceeds of such money or property and take them in their existing form, provided that it is possible to trace them.

What is the legal position of a contract made by an agent? Is the principal liable upon it? Any contract made by an agent with the authority of his principal is enforceable against the principal, whether or not the principal's name or existence was disclosed to the other party to the contract when such contract was made. Where, however, the contract is made without the principal's authority it cannot be enforced by the principal, unless the contract is made on behalf of a principal and capable of being adopted by the principal.

Where the agent is a professional agent and the contract made by him on his principal's behalf is made in the ordinary course of his business as such agent, all reasonable usages, rules and regulations in force in such business are deemed to be incorporated with the contract, and the contract can only be enforced in accordance with those rules or customs. In the case of *Bowring v. Shepherd* a person, through his brokers, purchased 100 shares in a company of a jobber for the account or settling-day. Before the day arrived this person requested his brokers to carry over the contract to the next account day. The day before the account day the brokers passed a ticket with his names as purchaser of the shares. This ticket was split or divided, according to the practice of the Stock Exchange, a part was handed to the brokers of the seller, who was the ultimate seller of this part of the shares. The seller on account day executed a deed of transfer to the purchaser in the proper form, etc. The brokers paid the seller's brokers. The purchaser refused to accept the shares and the company having stopped payment, the seller was made a contributory and compelled to pay calls The Court held that the transactions were evidence of a contract by which the purchaser of the part shares was bound to indemnify the seller against the calls made in respect of them.

A question is raised, viz: Has an Agent who is paid on a 15% commission basis on business obtained, any security of tenure?

The answer is in the negative unless the Agent, at the commencement of his relationship with the Principal, has a protective agreement governing dismissal, customers introduced by the Agent, and an understanding that the Principal shall not, directly or indirectly, canvass the customers obtained by his former agent.—EDITOR

(To be continued.)

International Co-operation.

By THE EDITOR "BUSINESS ORGANISATION AND MANAGEMENT."

Britain's huge population on a comparatively small area forces her to depend increasingly upon the sale of manufactures, in order to maintain her degree of civilisation and indeed her existence. A wider co-operation in trade and commerce, will promote, not only this, but a harmony that must inevitably make for an atmosphere of "peace and goodwill towards men."—EDITOR.

THE minds of men are much occupied with international co-operation.

In the political sphere we have the League of Nations—a costly ideal, but one which has possibilities of great value to the human race.

In the world of practical things the need is no less—indeed, it is sometimes greater, because many business problems will not permit of the procrastination which is too often characteristic of the political world

We recently received an important contribution to this definite need in the shape of the "International Economic Magazine" This is the official organ of the International Economic Society, the object of both Society and publication being to further international trade relationship, and to promote close and friendly connections between manufacturers and traders at home and abroad.

The "International Economic Magazine" is printed in English. There is also a German, an Italian, a Mexican and a French Edition, each circulating in the country in which its language is spoken. This idea represents a great advance on many other Export papers, because, as is rightly insisted, "If you wish to sell abroad, you must appeal to the importers in their own individual language.

Vast sums of money are wasted on catalogues and other sales literature sent to foreign countries in the English language, and which may go far to explain the reasons for our manufacturers' complaints that their Export Propaganda methods yield less return than they expect.

The services offered by the Society and the magazine interested us particularly, and will, we think, also interest our readers.

ENQUIRIES.

(*a*) Representatives and delegates at home and abroad are constantly sending in data from their territories, which is supplied free of all charge in answer to enquiries.

(*b*) Names and addresses of reliable agents abroad for manufacturers and exporters, and favourable sources of supply for importers are furnished.

(*c*) Answers to queries relating to methods of import and export, possibilities of marketing, duties, etc.

(*d*) The Legal Department handles Commercial Status enquiries, and the Collection of Accounts.

(*e*) The Translation Department deals with commercial, technical and legal translations into and from Danish, Dutch, English, French, German, Italian, Norwegian, Portuguese, Russian, Spanish, Swedish, Turkish, and Esperanto. Complete advertising material is translated to suit the peculiarities and special requirements of various markets.

(*f*) News Services, embodying Market Reports, enquiries for British goods, any particular market openings, new Import and Export Regulations, etc.

(*g*) Business Research and Market Analyses It is a wise policy to investigate before you invest. The Research Department prepares individual Market Reports with marketing possibilities in any country in the world!

Many other Services besides these enumerated are valuable, but these are sufficient to indicate the value to any firm interested in international marketing, and the character of the Organisation. There is a very definite need for such assistance in our Exporting Industries.

Our manufacturers can no longer rely simply upon the fact that our goods are British made If we believe that British goods are best, we must go out of our way to impress others with our faith, and that which lies at the base of it. To do this we must adjust our export marketing methods, and sales literature to the peculiarities and requirements of the various foreign markets, and this adjustment must be based on first-hand information of the markets to which we wish to sell. Market Research, already an important feature in the home market, is still more important in relation to overseas trade.

The "International Economic Magazine" contains several exceedingly interesting articles on International Marketing and Co-operation One, "The Value of Market Research to the Exporter," deals fully with the value of the information necessary to the exporter who plans his selling campaign in foreign markets, and also explains the means and ways recommended to obtain such information and data.

The several sections of the magazine consist of Editorial services, International Industrial Progress, International Finance, and Economics.

The Editor says " It is hoped that the industries, trades and professions of Great Britain will co-operate to make the foreign sections representative of British commercial and industrial ability."

He recognises that for the idea to be a success in this country, there are difficulties to be overcome, probably greater than in any other, but is confident that there is scope for invaluable service, and that British manufacturers will soon awake to the importance and value of co-operation in the International Market. He himself is no mean citizen of the world, having seen every part and country of it, is an accomplished linguist, an authority on matters of international marketing, economics, advertising, etc., and some important Associations and Federations have appointed him their Export and Import Adviser.

We have reviewed this magazine and its services rather fully, because we are in the position to make a very interesting announcement to the many friends of " Business Organisation and Management."

After we received the magazine and its accompanying booklets, and had thoroughly studied the possibilities, and discussed the advantages of the Organisation behind it with prominent men in the City, we realised the value of such services to our friends.

In consultation with the Editor, we arranged a close co-operation between the Society and " Business Organisation and Management " with the result that the Services he represents are extended to the readers of our magazine. The effect is seen in the present number. Our readers will find an introduction to the new Services written by Mr. Frerk at our request, and they are urged to take full advantage of the Services offered in this new and valuable addition to their own Journal.

It is in complete accord with the policy which the present Proprietors of " Business Organisation and Management " have followed since June last,—a closer co-operation and continual exchange of ideas with our readers, and we advise them to write in as often as possible, and it may be possible to make wonderful progress in 1927.

Mr. Frerk wishes us to state that he is prepared to make special concessions to subscribers and advertisers of " Business Organisation and Management " who desire to become subscribers or advertisers in the " International Economic Magazine," or members of the Society.

Those interested in this offer are requested to mention " Business Organisation and Management " when writing.

The " B.O.M." Library Service.

Under this heading we shall, month by month, deal with books having a definite value to our readers; the channels of service which are at their command, and replies to queries. Books may also be ordered and supplied by the service when desired. We hope our readers will make the utmost use of it in every respect; we, in turn sparing no effort to give a definite library service.

I.—The Value of Books.

IN a symposium conducted recently by a popular magazine Mr. Gordon Selfridge is reported to have said: " If I could have any one wish gratified, it would be that I might have three lives instead of one, all running consecutively—one for work, one for study, and one for play." His wish would no doubt be echoed by the rapidly growing class of business men who are called upon to take a larger part in modern society than was considered possible, or even desirable, in the days when business was regarded merely as money-grubbing, and when profit-making and culture were supposed to be leagues apart. This view is now altogether antiquated. The horizon of the business man has persistently extended until all human activities are comprehended in his vision. It is not without significance, therefore, that a pioneer in industry and commerce should lay stress on the need of study equally with that of work and play.

Yet, while the function of the business man in general assumes an ever-growing importance, there is a certain danger lest the mind of the individual should become narrowed by the specialised range of dealings he is called upon to undertake. Division of labour is the order of the day, but the man who seeks to benefit the

community as well as himself is he who contrives to get beyond the limits imposed by sheer economic necessity, and takes an intelligent interest in the general social environment. Meeting and talking with people whose ordinary interests are of a different kind is one means of achieving this wider understanding, but no less beneficial and instructive is the companionship of a good book.

THE VALUE OF A LIBRARY.

The atmosphere of one's study or library, however small the collection of books (for here more than anywhere else quality counts for more than quantity), is itself conducive to acquiring greater knowledge and wisdom. In conversation one is apt to be argumentative, and to employ the shallow tricks of debate either to conceal ignorance or to counter a solid argument on the other side. As on an election platform, everything is either black or white; there are no half-tones. The protagonist fears to admit the truth of his opponent's assertions lest it should be taken as a confession of surrender. And, such is one's nature, he is frequently led away by his own eloquence and comes to hold more dogmatic views than before, even though they may be founded on half-truths. But in the quiet of his study, with no sound other than the turning of the leaves, with nobody to persuade or be persuaded, his temper is better disposed to reason. Perhaps there is something after all in the other man's argument. Perhaps there is an aspect of the question which one previously has failed to realise. There is more honesty of opinion with oneself, and that way comes enlightenment.

It would be impertinent to suggest what books the business man should read, for that might be taken to imply that his tastes and outlook are more restricted than that of the general reading public. His interest in pure literature is hardly less marked than in the so-called academic circles; his daily pursuits may leave him less time to study the finer points of literary art, but his appreciation is no less genuine. Then there are those works, which, professedly in the form of fiction, throw a clear and often a new light on the problems of everyday business. Nobody can read Wells's *Clissold*, for example, without benefit. The reader may not agree with the novelist's conclusions, but at least he is brought into contact with problems he may not have thought of before, and is induced to *think*. Lastly, there is the growing number of books on economic and business subjects, many of them of general interest, many of them frankly technical in character. But it would be a mistake for the business man to confine his technical reading to those books which are primarily concerned with his own trade. Let the merchant go beyond his narrow bounds and study the mechanism of production. Let the manufacturer get some knowledge of the system of finance and distribution. Let the home producer and consumer read of the wide field of international trade. Let the employer and the worker see an industrial problem from each other's point of view. Competition in economic life is not incompatible with broad sympathies and mutual understanding, nor is a desire to succeed synonymous with envy of those who made achievement their own. The student of to-day may well be the industrial power of the morrow, his sympathies broadened by the retrospect of his difficulties overcome.

PURSES AND PURCHASES.

Fortunately, there is no lack of means to-day by which the ambitious may reach their goal. Books, although costing more than pre-war, are still truly representative of the highest values for money. True, one has memories of desires outrunning the capacity of the purse, but even that handicap is less of a fetter than it used to be. Time was, when a second-hand bookshop was —well, a second-hand bookshop, and no more. No thought expended upon mental food for the soaring ambitions of the youth with golden dreams of success, only musty provision for the antiquarian tastes of the purist and book collector.

To-day, a book does not need to be out of date to find its way to the shelves of the little-less-than-new-bookseller. Firms like "Foyles," whose rise must be considered phenomenal, provide many hours of absorbing interest in selection by their miles of bookshelves. Here we have a definite illustration of the principle expressed above. A couple of students acquiring books as students must, and selling them to obtain more and different, visualise the needs of many hundreds like unto themselves. Truly it may be said in their case that the students of yesterday are the power of to-day. Most typical of their type, they must have assisted thousands of restricted purses to satisfy their owners' yearnings, through their much-detailed service.

One book of theirs recently seen, "Business Power," is invaluable to the young man who desires to succeed, whether as a departmental chief or as "Chief of chiefs." It is difficult to put it down when once taken up—and that is saying much for a book of its type. We shall have more to say of this next month.

II.—A Notable Contribution to Advertising.*

(A Review.)

"ADVERTISEMENT has gone far in raising the standard of living, and consequently in increasing the cost of living," says Mr. Roland Hill in his book "The Theory and Practice of Advertising." And he adds as an illustration, "We cannot have the fine bathroom at the cost of the old bath tub in the kitchen or the wood shed."

Many writers on publicity spoil the case by over-stating it, and in consequence they prove less reliable champions than the reasoner who can keep his attention well down to his subject, and yet preserve a sense of general values and proportion. Mr. Hill is of the latter class. He is certainly an enthusiast, but he never loses his head. He is fond of his favourite tree, but he has also a pretty clear idea of the forest as a whole.

Advertising is really such a mighty force in modern commerce and has such far-reaching results not only at home, but also in international trading, that none of us must regret the space that newspaper and publisher give to the subject. Unfortunately that space has not always been wisely filled, far too persistently has the substance of publicity literature swelled into a gigantic prose chorus of the saying "You must bust or advertise."

To read Mr Hill's vigorous and useful volume is to find a treatise of a far more sane and balanced character. Indeed, so wide is his outlook that his very enthusiasm takes a semi-judicial form, and while he is obviously on fire with zeal and enthusiasm for his subject he appears to be most anxious his readers shall not lose their heads.

There is nothing in his book, however, to encourage any enquirer in the fantastic notion that commerce is a game of chance, in which the man with the most nerve, who keeps throwing the dice with the greatest daring, must win through He admits, nay insists, that advertising is hazardous and is not always successful, but he sees it as a careful study, for a well-balanced mind, rather than as a chance for reckless bravery.

This is the kind of writing that really has a high educational value. In these days when a great number of firms are regarding publicity as their chief means of salesmanship, it becomes increasingly important that the business community as such shall have a sound idea of the practice and principles of advertising.

The habit of thought that this work is so mysterious and so separate from other parts of commerce, that the trader must entirely depend upon outside professional aid is surely wrong.

Without doubt, if he is wise, he will make use of outside specialists, and agents, but there is a world of difference between doing this in an informed and intelligent manner and in doing it in the spirit of "Here is my cheque and there is the business, now sail in and make me rich quick."

Mr. Hill makes us see advertising as a factor of commercial enterprise and not as a separated activity. All his advice is linked up with thorough efficiency inside the business as well as capacity in the outside overture, and more than this, in a harmony between the two parts. Three chapters alone on "Dealer Aids" and "Problems of Manufacturers and Other Advertisers," are sound evidence of this, while the second chapter in the book on "Planning a Campaign" shows an all-round grasp of the difficulties of an ordinary commercial directorate.

Mr. Hill does not echo some of those unsound claims for advertising which are occasionally made. The absurd idea that the printed page will ever completely do away with the living salesman is not endorsed by him Here is an illuminating sentence upon the point.

"Advertising is properly called 'a great business force' not because it is greater than face to face salesmanship, to which it is often an introduction or supplement, but because of the speed and extent to which it can be employed. An instructive, persuasive message can, through the medium of advertising, be put before millions of people in a few days."

This is reasoning against which the most class-proud salesman would scarcely protest.

From an economic and social point of view the book is encouraging Mr Hill admits, as quoted in the opening sentence above, that advertising raises the cost of living, but does it by raising the standard of living.

Probably if we reflect on these words we shall all say "Then get on with it," for here is predicted a fuller and more prosperous existence for all, the city of huts being replaced by the city of palaces and the occasional luxury of a few becoming the ordinary possession of the multitude. Not a "living wage," but a "comfort and luxury wage," is the dream of the social reformer If advertisers are going to help to this, then they call for our blessing.

* **"THEORY AND PRACTICE OF ADVERTISING,"** S Roland Hill (McGraw Hill Book Co., Ltd.)

THE

NEWSPAPER PRESS DIRECTORY

A NEW YEAR'S RESOLUTION

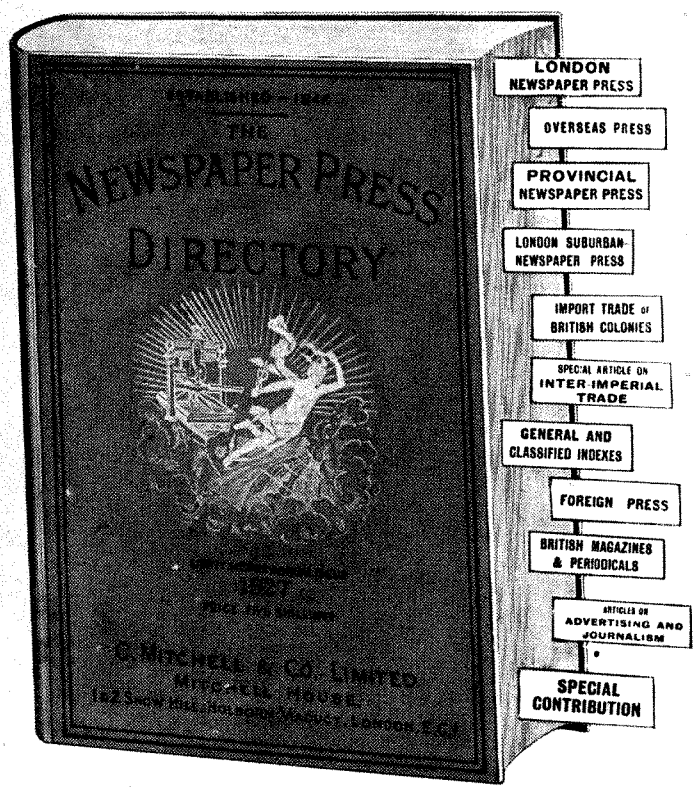
The Newspaper Press Directory is a unique work of especial importance to advertisers and advertising men and women.

The 1927 edition contains first-hand information about newspapers, magazines and periodicals published at home, in the Dominions Overseas and in foreign countries.

Classified lists considerably simplify the selection of advertising media.

Advertising men can resolve nothing better for the New Year than to keep a copy on the book shelf.

Orders may be sent now.



"THE STANDARD WORK OF REFERENCE WITH RESPECT TO THE PRESS."—*TIMES*

1927 Edition

EIGHTY-SECOND ANNUAL ISSUE

READY IN THE NEW YEAR.

POST 5/- FREE

Over 650 pages with FREE SUPPLEMENT NEWSPAPER MAP IN FIVE COLOURS

USE THIS COUPON.

To the Publishers,
The Newspaper Press Directory,
Mitchell House, 1-2, Snow Hill,
London, E.C.1.

Please forward One copy of "The Newspaper Press Directory," 1927 Edition, on publication

Cheque or P.O. for 5/- enclosed.

Name .....

Address .....

.....

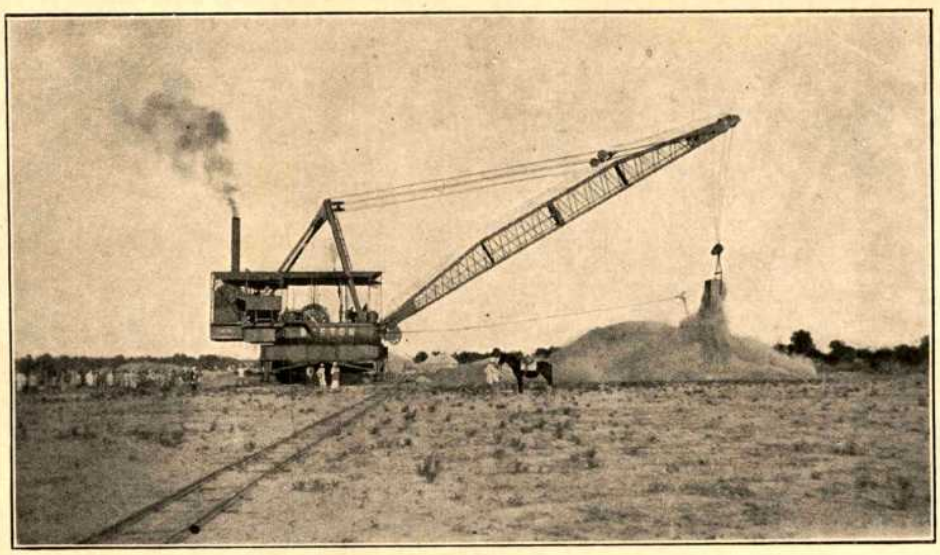
(B.O.)

Digging Canals by Machinery.

A Monster 350-ton Excavator that does the work of hundreds of Coolies.

Making India's desert "blossom as the rose."

INDIA is the scene of a number of important irrigation schemes by which many thousands of square miles of desert and waste land will be brought under cultivation. The work calls for the excavation of many thousands of miles of canals and distributing channels, and to facilitate the construction of these there has been devised a monster excavator, known as the dragline. Strictly speaking, it is really a development of the steam-navvy or steam shovel, and derives its name from the fact that the bucket is dragged towards the machine on a flexible rope.



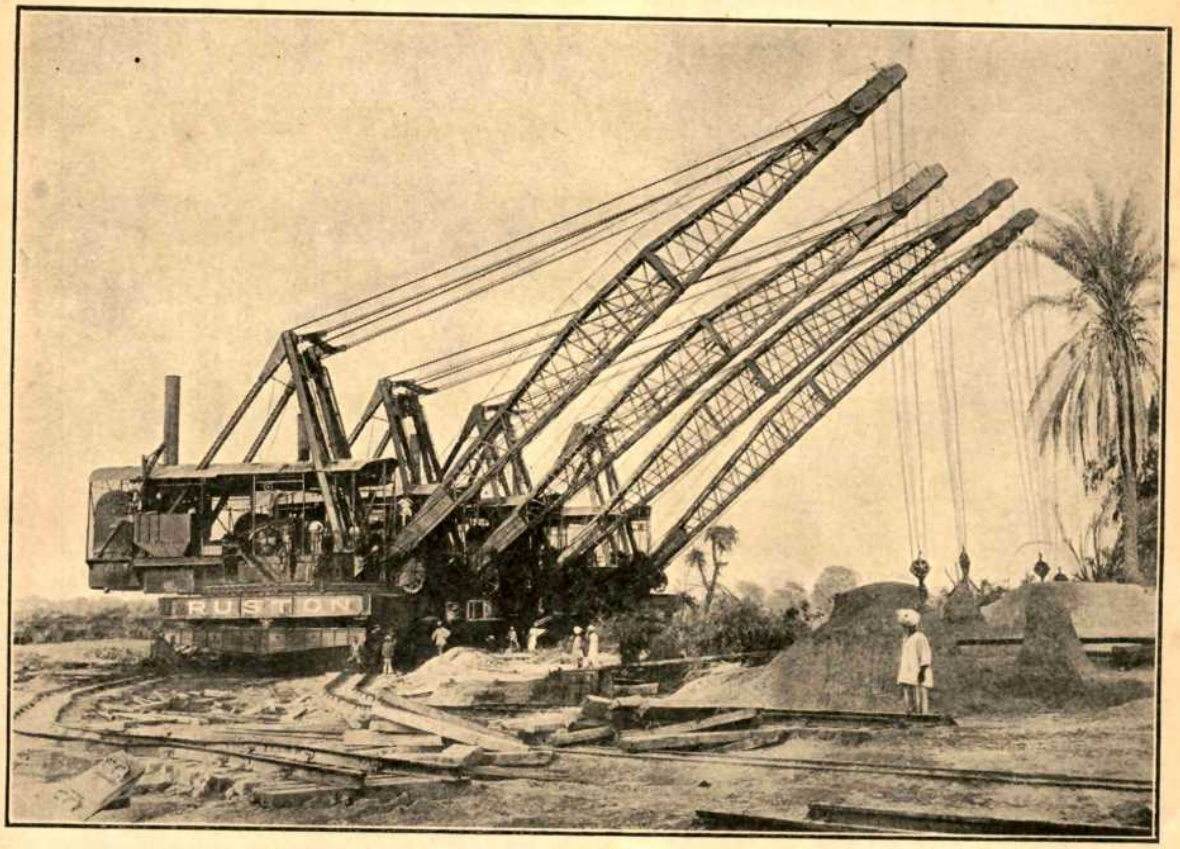
Dragline discharging excavated material.

[From Block produced by Central Process Engraving Works.

The first of these machines to be sent out was that built by Messrs. Ruston & Hornsby, of Lincoln. It turned the scale at 350 tons and boasted of a jib 120 feet in length. At the end of this jib is the bucket, capable of scooping up eight cubic yards of earth and sand at a single bite, sufficient to fill an eight-ton wagon. The bucket can be lowered, the cut made, the excavated material raised and dumped into a waiting wagon or on to the embankment in 45 seconds. One of these machines is capable of doing the work of hundreds of coolies.

Only one dragline at first was ordered, but it proved so satisfactory that the Indian Government placed an order for a further three machines. More recently the manufacturers have obtained an order for six additional draglines, making ten in all, and it is interesting to note in passing that the facilities of the Ruston Works are such that the last two new machines ordered were completed in seven weeks from receipt of the order!

In the United Provinces the machines are being used for the construction of 478 miles of canals and no less than 3,370 miles of distributing channels, by means of which 1,138,000 acres of what is now waste land will be brought under cultivation. Then in connection with the Lloyd Barrage Scheme, in the Province of Sind, they are being employed in the construction of 50,000 miles of canals, three of which are to be larger than the Suez Canal. But it will be the means



Four 350-ton Draglines now working on the Lloyd Barrage and Canal Scheme in India.

[From Block produced by Central Process Engraving Works.

of bringing 7,500,000 acres of desert and waste land under cultivation.

The Lloyd Barrage, which is being built across the River Indus to control the fluctuations of the river, will eclipse in size the famous Assouan and Sennar dams in Egypt. This massive masonry edifice will be a mile in length and tower 770 feet above its foundations. Work was commenced on it in October 1923 and although 20,000 men are employed it is such a huge project that it is not expected that the contract will be completed before the summer of 1930 at the earliest. The total cost will be over £13,000,000, the Barrage alone costing £4,500,000 and the canals £9,000,000.

Such huge irrigation schemes as these naturally called for special machines. As a matter of fact, the draglines now at work in the deserts of India can excavate 10 tons at one cut and can load a train of 60 wagons in an hour! They are even fitted with searchlights to enable work to proceed at night. The assembling of the machines in the desert proved no light job. There are over a thousand parts in each machine, the heaviest of which weighs over 19 tons. Lifting appliances were very inadequate while the work had to be done by native labour under the supervision of the firm's engineers. Then there were difficulties of another kind. For instance, one of the engineers in charge dislocated his shoulder but carried on for a considerable time until help arrived. Another engineer nearly lost his life through being bitten by a snake whilst oiling a part of the machinery. The engineers had also to contend with the stifling desert heat, a blazing sun overhead, a bad water supply, and the prevalence of malaria fever. Despite these drawbacks four of the excavators were erected in three months, a very creditable performance.

"Success Qualities."

IV.—CHARACTER.

By F. J. LAMBERT, A.C.I.S., Cert.A.I.B.

This is the fourth of a series of articles describing the various qualities which must be cultivated by the ambitious young man whose aim is a successful business career. Smartness of Manner, Smartness of Mind, and Accuracy have already been dealt with, and in this article it is shown that the quality of fundamental importance is Character.

HIGH up in the centre turret of the great battleship there is a circular protected platform, plentifully supplied with telephones, levers, indicators and instruments of all kinds, which is known as the Fire-Control station. In the ordinary way it looks innocent enough, but in time of battle it becomes the vital nerve centre from which the whole of the immense fighting force of the floating leviathan is directed. From here the fire of the enormous guns is controlled, the course of the ship is directed and the battle orders are given. It matters not how many millions it cost to build the ship, how powerful are its guns, how brave and efficient its crew, its fighting value is nil unless the Fire-Control Station is in effective working order.

CHARACTER AND SUCCESS.

So with the human fighting machine. A smart manner, brains, mental gifts, an attractive personality are all important aids to success, but most of their effective value is lost if they are not built on the foundation of Character. Again and again one reads of men with brilliant gifts who failed abjectly in life because they lacked the one essential, Character. On the other hand, many less brilliant men have reached the top of the tree through sheer force of character. Stanley Bruce, the Prime Minister of Australia, is a case in point, for it is generally admitted that the secret of his amazingly rapid climb to the highest position in the land at the early age of 42 is to be found in the one word—Character. Instances of success as a result of character could be multiplied indefinitely and this is as true of the world of business as it is of any other walk of life.

Character is essential to all true and lasting success. Only too often brilliance is worshipped, while the absence of any real character behind it passes unnoticed. Yet the brilliance without the character is doomed. At school one remembers how often the clever boy who had brains but no character to support them was beaten in class by the less brainy plodder who could stick at his work.

Napoleon was one of the greatest military and administrative geniuses the world has known but the strength of his character did not equal his ability, and his selfish ambition proved his downfall.

In business, the clever fellow whose ability is not allied with character does not succeed beyond a certain point. People get to know him and to distrust his very cleverness. His methods border on sharp practice. His schemes lack balance, and in the end he over-runs himself, and comes a cropper.

WHAT IS CHARACTER?

Character is one of those words which defy definition. Everyone knows what it means, but few people could put it into words. On analysis it will be found that the basic principle of character is "Control," and control always means strength.

The man of character is the man who is able to control body and mind, thought and speech, and can direct them into the *right* channels by the exercise of his will-power without interference by the weaker desires of the body. He knows the right and just thing to do and has the strength to do it; he does not shirk the distasteful job; and he knows when to say "No," though it may be easier to say "Yes."

To get a clear idea of what Character means, think of the people you know and endeavour to pick out those whose word you accept without hesitation, whose motives you never question, whose habits are regular, and whose methods are sound; in a word, those upon whom you would always feel able to rely. The man or woman picked out in this way will be examples of the effect of character.

HOW IS CHARACTER FORMED?

Character is a matter of habit and control. It is essentially the result of exercise of the will, whether in special circumstances of difficulty and testing or in the continuous daily functions of life. It means the power to conquer the temptations of the flesh—laziness, pleasure, selfish ease—and the strength to withstand moral weaknesses—cowardice, disloyalty, wrong-doing.

Character is formed by right habits, and it is tested by special temptations. The great mistake is to reverse the sequence, and to think that character can be formed in the times of trial and that the daily habits will then follow easily. How often we think to ourselves that we should be strong and brave if our circumstances were different; how often we wish that we were able to stand in the limelight and do great things like the heroes we read of; and how easy we think it would be to be great if we had battles like they had to fight.

Never was there a greater delusion! Those heroes first found their greatness in the routine habits of everyday life; the great events in which they later figured merely served to test the character which was already there and to bring it out in strong relief against the background of circumstance, for the world to see.

"TIN-TACKS."

To come to brass tacks, as the saying is, what does character mean to you and me in the matter-of-fact world of business? It means much more than we generally realise! In many ways it means more than any other "success quality," for it is the foundation for all. The man of character is assured of a steady position in business because his reliability and his loyalty make him valuable to his employer; if, in addition, he has a smart mind and brains which he knows how to use, he is assured of a successful career, and there is no limit to the height to which he may climb.

The stories of the rise of many great business men from lowly beginnings, without the aid of influence or money, read like romances of bygone days. Leverhulme, Selfridge, Sir Eric Geddes, Northcliffe are examples where the highest success was achieved as the result of character plus brains, without any more favourable circumstances than yours or mine. They had the character to stick at it when it was easiest to give in, to refuse to acknowledge defeat whatever their difficulties, and to force body and mind unfailingly forward toward the aim they had set themselves.

CHARACTER EXERCISES.

"I cannot develop character," you say, "for it is a matter of heredity." Far from it. If you start developing your character you will find that in a surprisingly short time you will begin to feel the effect, and a new sense of confidence and control will grow upon you.

(1) To rise a little earlier than you really need is one of the best exercises to start with. The very fact of waking and rising of one's own accord instead of doing so because of stern necessity, has an immediate effect for good for it brings into action the control of the body by the will. Further, it makes a surprising difference to the whole day, by giving the feeling that one is a little ahead of time instead of a little behind.

(2) Secondly, make a definite point of tackling the worst job first, whenever you have a choice between two of equal importance. It is better for your work because otherwise the difficult job is always postponed, and it is good for your character because it teaches you to do what you ought to do whether you like it or not, which is the essence of all character.

(3) Thirdly, make up your mind each day to do everything that comes to your hand with thoroughness, and so abolish the carelessness, slipshod methods and inaccuracy which are the result of lack control. Set yourself to keep such a watchful control over your actions that they are never allowed to lapse into weakness or indecision. Be accurate and thorough, and watch for the insidious temptation to pass a job over with the words "That's good enough" or "It's not quite right, but no-one will know." Do each job as it should be done, whether the quality of your work will be seen by those in authority or not.

Take every opportunity you can to practise control, whether of body or mind, for every time you place restraint upon the unruly desires of either, you definitely increase your reserve of strength for future needs.

(4) Practise control of speech. The strong man of the novelist is generally also a strong *silent* man, and not without reason, for the man of strength and character is the man who controls himself and, therefore, his speech. Discipline of speech is a good thing for a young man's progress in business, for the employer prefers men who

confine themselves to the facts of the business and leave out personalities of every kind. Though you may sometimes feel like " answering back," practise control and you will gain in two ways. You will develop your character and your employer will think better of you.

(5) Practise control of mind: Keep watch over your thoughts and compel them, by exercise of your will, to do the work you wish them to. The mind uncontrolled is a wayward thing, flitting like a butterfly from flower to flower without purpose or method, and therefore accomplishing nothing. You will find this so with yourself if you look for it; in the middle of a task you will discover that your mind has run away on to some entirely irrelevant subject and the work is suffering accordingly. This exercise calls for patience and perseverance but it is well worth while, for systematic, controlled thinking is one of the most powerful factors in business, or in any walk of life.

(6) Lastly, if you would develop the character which is so vital to your success, you must pay attention to the motives and emotions from which action springs. You will not long succeed in controlling body or mind if you have not some main impetus or motive to give purpose to your will. There must be some ambition, some distant objective, some ideal which will act as a driving force, giving you the strength to watch steadily and constantly until control becomes a habit and character is formed.

THE RIVER AND THE DAM.

Character is not an easy quality to write about. It is so indefinable that it is much easier to recognise it than it is to describe it or discuss it. In this article, however, an effort has been made to treat the subject in as practical a manner as possible, in order that some advantage may be obtained by those who desire to succeed in a business career yet realise their need for better mental and moral equipment.

Character is beyond doubt of fundamental importance in business as in every other branch of human activity. Character is the foundation on which all other qualities are built and if the foundation is insecure, the building is useless. Character may be likened to the dam which is built across the wide, shallow, wandering river, holding up the waters until they form a deep lake and allowing them to pass only in controlled quantities, with new force and power which can be harnessed to provide the motive for machinery. Character is the difference between the worker and the sluggard, the brave man and the coward, the leader and the laggard, the hero and the weakling. In a word, Character marks the difference between Failure and Success.

SONG OF THE PANAMA CANAL BUILDERS.

"GOT any rivers they say are uncrossable?
Got any mountains you can't tunnel through?
We specialize in the wholly impossible,
Doing the thing which no man can do!

THE only utterly impotent life is the loose life, the life that has no centre, no rest, no point of obligation, no link of enslavement.

Courage and faith beget energy and power; energy and power rightly directed bring success. Such, as a rule, are the successful people—successful simply by way of natural law.

The whole scheme of our voluntary actions, all that we do from morning to night of every day, is beyond doubt entrusted to our control. And from our inmost consciousness we do know that, whenever we will, we can make ourselves execute whatever we approve and strangle in its birth whatever we abhor.

DID you tackle that trouble that came your way
With a resolute heart and cheerful?
Or hide your face from the light of day
With a craven heart and fearful?
Oh, a trouble's a ton, or a trouble's an ounce,
Or a trouble is what you make it!
And it isn't whether you're hurt that counts,
But only—HOW DID YOU TAKE IT?

THERE are always two kinds of people in the World—those who pioneer and those who plod. The plodders always attack the pioneers. They say that the pioneers have gobbled up all the opportunity, when, as a plain matter of fact, the plodders would have nowhere to plod had not the pioneers cleared the way.

Think about your work in the world. Did you make your place or did someone make it for you? Did you start the work you are in or did someone else? Have you ever found or made an opportunity for yourself or are you the beneficiary of opportunity which others have found or made?

TO-DAY AND TO-MORROW—*Henry Ford*

1926 was a wonderful year for School of Accountancy Students

A few words about Prospects for 1927

The School still ahead of all other Colleges!

Following the Blue-Riband Record for all Britain which The School of Accountancy created for 1924 and 1925 in Accountancy, Secretarial and Commercial Examinations, further record successes were won by The School's students in 1926. These include—

12 First Places
4 Second Places
6 Third Places
5 Fourth Places
3 Fifth Places
5 Sixth Places

What The School does

The School of Accountancy gives specialised training for all the Accountancy, Secretarial, Banking, Insurance, Commercial and Matriculation Examinations, and for appointments such as General Manager, Company Secretary, Accountant, Works Manager, Cost Accountant, Office Manager, Auditor, Cashier, Chief Clerk.

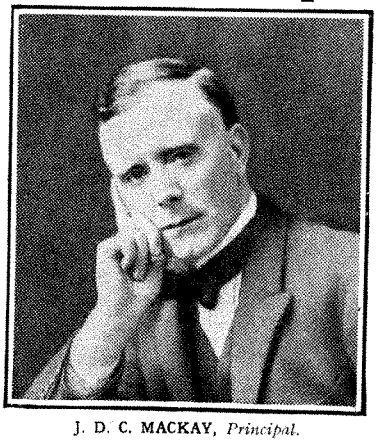
Typical 1926 Successes

Burton: "Such efficient training as I received from The School could not fail to bring good results, and, still on the right side of 40, I am now Secretary, at £1550 a year, of the Company I joined as a Junior Clerk."

Halten: "I was greatly impressed by The School's method of tuition. After completing my training I was promoted Cashier with an increase of salary that absolutely astounded me."

Trent: "I have accepted the position of Accountant and Assistant Manager of the largest Cotton Company in Africa. The salary to commence is an increase of over 200% on my present salary."

Mercer: "I am now the fortunate holder of *SEVEN* Secretaryships of three public and three private Companies and one Statutory Company."



J. D. C. MACKAY, *Principal.*

Another year has gone by, a year in which the Students of The School of Accountancy have broken all success records in the leading professional examinations.

During 1926 many more students of The School gained success in abundance and attained high positions in business at salaries ranging to £1550 a year.

If you were not one of the men who joined The School last year, 1927 is before you with its splendid opportunities for trained men.

There are still many months of long dark evenings ahead, evenings when in the comfort of your home you can study quietly, seriously, for eight or ten hours a week. Training like this will fit you quickly and surely for a responsible well-paid position or to pass one of the leading professional examinations.

Special New Year Offer

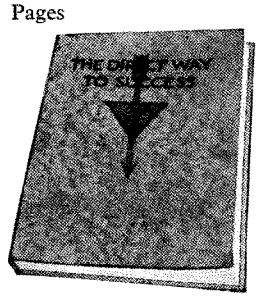
A special offer will be made to students who join The School early in the New Year. This offer will enable you to secure your training at considerably reduced cost. Ask for particulars when you write and mark your envelope "New Year Offer."

A Big Guide to Business Careers FREE

Send for The School's Book, "The Direct Way to Success." This great Free Guide is the most complete and authoritative book on Business Careers that has yet been published, and has directed more men to commercial success than any other book.

It tells you about The School's tutorial staff—every man an acknowledged authority on his subject—and about the wonderful lesson literature that eminent University Professors have declared to be the finest of its kind. It tells you how you can secure free the personal advice and help of the foremost business education authority in the country. It provides overwhelming evidence that The School's tuition is far and away the most efficient for professional examinations.

170 Pages



The SCHOOL OF ACCOUNTANCY

SECRETARYSHIP * BANKING * INSURANCE

10 ESSEX STREET, STRAND, LONDON, W.C.2
2 WEST REGENT STREET, GLASGOW

MANCHESTER—37 Victoria Buildings, Deansgate
LEEDS—Standard Buildings, City Square
LIVERPOOL—22 Sir Thomas Street
BIRMINGHAM—8 Newhall Street

The Business Man's Children.

Providing for the Education and Future.

By D. CAMERON FORRESTER.

TO the business man more than any other individual—and especially the man who has fought and won his way—the realisation of the value of sound education comes home forcibly, sooner or later. There are moments in the career of every successful man when, faced with new responsibilities and problems, he has felt the handicap of defective education. But for this lack he might have been saved a good deal of anxiety and extra effort, and could have scaled the ladder to its higher rungs with greater ease and certainty.

One result of this condition of things is to create the desire within him to give his offspring a better fighting chance than he himself possessed, to send them forth to the battle of business life equipped with the best education his means will permit. Unfortunately, the educational period of one's family coincides, generally, with the most expensive period of domestic life, and other vital calls on income may then frustrate the best intentions.

NECESSITY AND CHOICE.

But, especially in more recent years, many excellent schemes for providing for future education costs by periodical payments out of income have been evolved by the lift assurance offices. These schemes vary a great deal in detail, however, and a wise choice is necessary. Two important points to make certain of are that the educational payments will be forthcoming whether the parent lives or dies, and also that there will be no future liability for premiums resting on the widow should her husband predecease her. This is necessary because, under some plans of policy, the premiums have to be continued in any case until the agreed educational age is reached, all payments being returned should the child not attain the selected age. Under other plans, again, the premiums paid are not returnable in the event of the child's death. One of the best forms of educational policy, however, not only ensures payment of the educational fees, without any further premiums, in the event of the parent's death, but, if the child for whose benefit it was originally intended should die, the policy can be continued for the benefit of any other child, or even for the benefit of the policy-holder himself, if he so desires.

SCHEMES ANALYSED.

Apart from the fact, too, that the widow has no further liability for premiums, she is in a position to utilise the sum assured under the policy in the manner which might best suit her circumstances. For example, let us assume that her husband had effected a policy to provide an educational payment of £50, to be paid every half-year for five years, the first payment to commence after the expiration of ten years. If he died at any time before the first educational payment became due his widow, if she required cash, could have an immediate payment of £500 down. If she merely desired to augment whatever other income she might have she could arrange to receive immediately a payment of £50 half-yearly for five years, and interest would be allowed on the outstanding balance of the £500. It might be, however, that her husband had left her sufficiently provided for, and she desired to carry out his original intention with regard to the education of the child. In that case she could leave the £500 on deposit at interest with the office for the child's benefit, and payment of the half-yearly instalments would commence at any date she desired. She is also protected if her husband happened to die at any time after the child's educational period had actually commenced, as she could elect to receive any unexpended balance of the educational fund, or let the half-yearly payments continue, according to her circumstances. Under this type of policy the half-yearly payments for education can be arranged to commence at the end of five, ten, or thirteen years, and cover a period of either three or five years, and the age or health of the child does not matter. The annual premium in the case of a parent aged 30 next birthday to secure, at the end of thirteen years, £50 half-yearly for three years, would be £19 6s. 8d.; and for five years, £31 5s. per annum, less income tax rebate while the call on his income would occur during the early and less expensive years of the child's life, and cease when the finishing educational period arrived.

TO ENSURE CONTINUITY.

So much for providing school fees. But where this has not been accomplished by means of an educational policy, and a child is already at school, the parent can now insure the continued

payment of the fees in the event of his death, as well as an additional amount for cost of clothing, railway fares, board, etc., by payment of a small termly premium. He has merely, at the outset, to select the total number of terms for which he desires to insure the payment of education costs, and he then pays the termly premium for half the period. For instance, if he wished to make certain of his child's education being continued for another twelve terms, he would pay a premium for the first six terms, and then, if he should die during the first or any subsequent term, the agreed fees would be continued until twelve terms had expired. If, however, the child should die after the parent, and before the number of terms had been completed, a lump sum would be paid in settlement of any undisbursed benefits. The termly premium is payable three times a year, and is quite moderate. To cover a twelve-term period it would, as I have said, be payable for six terms, and would be, approximately, 10s. for each £10 per term insured.

"DEFERRED BENEFITS."

Apart from education, however, valuable provision for a child's future may be made by means of a small annual payment through effecting a deferred assurance for its benefit. On reaching the age agreed—twenty-one or twenty-five, say—the child has several valuable options. It can elect to receive a sum in cash, which may prove most useful on marriage or for the purpose of buying an interest in a business. On the other hand, it can elect to have a large life assurance policy, free from further premiums, which, again, would be a most valuable possession to a young married man with little margin of income. Thirdly, he could elect to continue the small annual premium, and with it obtain—free from medical examination—an endowment policy payable at either forty, fifty or sixty, for a much larger amount than would otherwise be the case. For policies to mature at twenty-one, children between six months and fifteen years can be covered, or up to twenty years where the policy does not mature until twenty-five. Generally, the premium charged is £10 per annum, but smaller or larger amounts can be arranged, the benefits payable depending on the age of the child when the policy is effected.

CUMULATIVE BENEFITS.

Let us suppose a parent paid £10 per annum for a policy to mature at twenty-five in favour of a child aged six months. At maturity of the policy the child would receive £350 in cash, or he could elect to take a policy payable at death, free of further premiums, for £975. But he could arrange to continue the payment of the £10 per annum himself and have the choice of several forms of policy without medical examination. If he selected one payable at age 50 or previous death, with guaranteed annual additions, it would at the commencement be worth £780, and would increase in value to £1,072, which he would receive in cash if he survived to fifty. His own contribution towards this sum would have been only £250, while the total premium payments throughout, from the commencement of the policy, would be £500. If the young man happened to be married and wished to obtain a policy for the largest possible amount for the protection of his wife, then by continuing to pay the £10 per annum he would be insured for £1,618 in the event of death. The value of this policy will be apparent when I mention that if he were to insure at twenty-five for £10 per annum, the amount of life assurance he could then obtain would be, approximately, about £1,000 less, even if he passed the doctor as a first-class life.

THE DEATH FACTOR.

I have taken a policy over a long term as an illustration in order to show the very fine ultimate results which may be secured for a child by small payments out of income during its early years. It may be asked, however, what would happen in the case of the last policy if the child or the parent, or both, were to die before maturity being reached. If the child were to die before reaching twenty-five, all premiums would be returned in full. If the parent cared to pay a small extra over and above the £10 per annum he could ensure that if he died no further premiums would be payable, and then, if the child were to die after the parent, and before reaching twenty-five, all premiums paid, less the extra mentioned, would be returned. Further, if the policy were to be discontinued for any reason after two years' premium had been paid, all the premiums, except the first year's, would be returned.

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Knowledge is essential—of goods, publicity, selling methods and men—for principals and assistants alike.

THERE is nothing gives a business man more food for thought, than the problem of increasing his sales. One will consider the possibilities of advertising, whilst another will add to his travelling staff. The judicious man, however, will try a mixture of both.

For a business must progress It cannot stand still and develop dry-rot. Retrogression means either going to the Guardians, or the gutter. A man who cannot sell screw-eyes over the counter will find it more difficult to merchant matches on the kerb, and far less profitable

To get a business to make headway is a desideratum strewn with many obstacles. But there are many ways of increasing turnover, since most big firms that matter had small beginnings, and it is only because they overcame the rocks ahead of them they hold the position they do to-day. The trouble very often with a business that fluctuates is from within. A man will close a little earlier than his competitor and open a little after: he will not always oblige. He finds it a trouble to go out of his way to obtain something he does not keep.

POSTAGE-STAMPS PROFIT AND PRISON.

If Mrs Jones, of "The Grange," asks him if he can get her some " chats," it is foolish to retort that, as an ironmonger, he can scarcely be expected to be an authority on potatoes, because she is quite likely to remember it when replenishing her kitchen! He is not always content to lose a little, in order to gain a great deal more in the long run. It is taking the long shot that is so important to the small man. He may argue that he cannot make people come into his shop Of course he cannot, but to sit at home and expect business to come to him is to have the mental calibre of the man who tried to pay his rates out of the profit he made on postage stamps, and complained because he found himself in prison. It is not for a moment to be implied that it is necessary for him to make a house to house call like a gas collector, but well printed leaflets, sent out to the right people, attractive draw-lines containing information of interest to women, will make a good deal of difference. The man who *will* carry his business in his waistcoat pocket will before long find himself emulating the famous Prelate who died—preferring climate to company!

Well-lit window displays, attractively designed, close touch with all markets, a knowledge of what the other man is doing—these things are not difficult of attainment.

THE SOMNOLENCE OF " CIVITA VECCHIA."

A shop I knew, not a hundred miles from Charing Cross, used to present the appearance of of a dilapidated mausoleum, because it was run by a direct descendant of Rip Van Winkle. The occupier would never see new travellers if he could possibly help it—a silly attitude—would not change from his old suppliers, and you were either nearly decapitated or ran the risk of breaking your neck when you entered his premises, because he was afraid to burn too much gas, in case passers-by should discover he was open. He used to complain that shop-keeping was an execrable following, and that all one ever got out of it was worry and demands for Income Tax. He eventually sold out and retired, possibly to ask the high Gods to transport him to Civita Vecchia, where no one apparently wakes at all. The man next in possession held different views. He nosed around, and found the district was a hive of builders, and he straightway developed, for all he was worth, the builder's merchant side of the business. From being a sort of Nibelungs Cavern it became one of the best lighted shops in the road, and long after others had closed their doors and pulled down their blinds, you could not help noticing what he had to offer To-day he has six outside men, and twenty inside, and takes useful orders from old-fashioned *confrères* in Sussex and Surrey. He cultivated the best publicity he could, a shop full of customers, which is certainly more inspiriting than a column and a half in the London Gazette.

LUCK?

His competitors, who played the ostrich, and missed their opportunities, said he was lucky. As if luck had anything to do with it! What has psychology to do with business, anyway? A man may lose his all, which could scarcely be

deemed a fortunate turn of the scale, and yet, like Sir Walter Scott, leave a fortune when he died If the novelist was a genius, he was a man of business first of all. In any case genius is only a question of taking pains.

What one can do another can, and you will only increase your sales by looking after them, by not being too eager to avoid a remote bad debt, or too easy with chronically slow payers; by keeping in touch with the people who buy from you, and anticipating their wants.

MANAGEMENT AND IDEAS.

A manager I once knew ordered in his master's absence an extra telephone. The owner knew nothing of the transaction until afterwards, because he was away when the Post Office fixed it. Naturally, he was all out to fire the man at once when he saw the instrument in the office, but he wisely refrained and awaited explanations. The man's defence was a sound one, and to the effect that people had complained so much of the difficulty they had in getting through, that he had come to the conclusion the business needed an extra mouthpiece.

It was, of course, intolerable that the manager had taken so much on himself, but it was heinous that the owner had cataract so badly he could not discover the need. What he wanted, he afterwards admitted, was not so much business acumen, as an anti-toxin for Beri-Beri. It is things such as these that shew how very much alive one has to be to-day.

MODESTY IN ADVERTISING.

Although advertising will bring you more into touch with the outside world, it may be urged, and with reason, that an ironmonger buried in the country can have little use for advertisements, and less still for travellers Yet there is no logical sequence why an ironmonger should ignore the value of publicity, whilst his next door neighbour, the draper, say, should make full use of its opportunities Wood-screws are as useful to the community at large as face powder is to a woman, and they can be described as attractively. The big stores advertise an oil stove with the same fervour they feature wincey blankets; why should a man in Queenborough, for example, not do the same?

PROGRESS—WISE AND OTHERWISE.

But no, he thinks it is undignified to go into raptures over fire-cement Advertise? he says, Yes, I might, and he straightway puts a half column in the local press, flat, dull and woefully ponderous He waits about a week, and because it does not rain orders like manna from Heaven complains that, as a matter of fact, advertising is a waste of money. If on the other hand he spent

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an hour or two over his descriptions, introduced lines in general demand, had actual copies of the news print posted to likely customers, and put in his shop, made an effective window display of those self same articles, he *would* find a difference Of course orders will not flutter down like leaves in Vallambrosa. It is not a method to be desired. Steady improvement is better than rapid progress. Businesses that grow up like mushrooms are apt to be dead sea fruit before long and leave only ashes with which to pay the creditors. To go up like a rocket, is to come to earth like a shower of sparks, which is a pretty dead sort of finish after all.

Because a man is miles from the big towns it does not follow he should automatically be out of touch with the fashions. Railway companies and motor cars are expeditious means of getting from place to place, and those who complain they cannot emulate London, because it is so far away, are really suffering from a form of mental and physical laziness.

"ROLLING STONES" AND "SITTING HENS."

A rolling stone may gather little in its progress but a still one collects less wisdom. There is nothing which helps to increase sales so much as being well informed, and knowing what your competitor is up to To be ignorant of your neighbour's doings is to soon have a Mother Hubbard's cupboard for a shop. Finding out yourself is method well worth trying.

Of course one learns these things eventually in the hardest of all schools, the school of experience, but to graduate at such a university is t. get more kicks than pence, and if ever you do get a half-a-crown, you have to bite it to make sure that it's good!

Methuselah lived to be nine hundred years old, and all we know about him is his age. It may not be possible to put young heads on old shoulders but it does not follow one need to live a century in order to learn that five times one are five, or glean information to that effect.

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Training Educated Women for Careers in Retail Business

The Elements of Goodwill.—I.

By O. RIVINGTON.

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When trade is bad, it frequently happens that the only stock turned over to advantage is "goodwill." Many successful businesses to-day can show a long record of the persistent cultivation of this invaluable asset, under adverse and discouraging conditions. Service is in direct proportion to the degree of goodwill entering into it, and doing so sincerely.

MANY elements enter into the composition of Goodwill. To grasp its reality, goodwill is nothing more nor less than a spirit of collective service, engaged in giving business transactions a pleasant memory. This spreads the intangible over the whole business, and from office boy, order clerk, accountant, packer, works' manager, correspondence clerks, telephone operators, directors, as well as the most obscure worker in the shops, must come the elements for its creation.

The first and by far most important element is the selection and training of staff and works personnel—and in some cases it will be necessary for employers to take a larger and more humane view of their responsibilities in this matter. Bad employers, ignorant thick-necked, cursing managers and foremen have contrived by methods that Pharaoh's task masters never knew, to build up big businesses. Many of them are rotten at the core because fear rules, and loyalty is absent. This is the main cause why industry is a hateful thing.

THE MEASURE OF GOODWILL.

It is a boast of one of these blood and iron companies that they do not mind spending a sovereign to detect one shilling's worth of waste. The place is as well policed as a penitentiary, but it is as soulless as any limited company can be. Strangely enough they are quality proud, but their prices for maintaining quality are so high that they are gradually losing their place in the world's markets.

Price is one of the elements that makes the first appeal to the buyer, and it is distinctly due to bad management if the buyer has to pay a lot for "policing," when the same quality can be produced at less cost, by that co-operative loyalty which ensures goodwill at every point. Contrary to what such people think, it is the customer for whom they are working. The number of satisfied customers a business can hold is the measure of its goodwill.

THE COLLECTIVE TENDENCY IN MODERN BUSINESS.

Modern mass production and mass selling have made it necessary for the employer to split up the tasks of the organisation. The work attending almost any business to-day, has made it impossible for one man to do everything. Executives, subordinates, and general workers have to help. Unless the employer exercises reasonable care, he is likely to increase probabilities of illwill with each new worker. Therefore there is a definite goodwill value in selecting help and making it worthy of more earnest thought.

A business only goes forward on its positive sources of intelligence, energy, imagination, ambition, activity and endurance. The higher any employer can advance these positives, the more satisfactory will be the progress of the business A comparison with the negatives of ignorance, sloth, dullness, indifference, laziness and slackness, will show the reason why. All plans, ideas and systems depend in the final analysis, upon the human factor.

ERRORS—SERVICE AND ILLWILL.

Discourtesy and indifference on the part of an office boy nearly lost his house an account which developed into £20,000 a year Being unwilling to forward the prospective buyer's enquiries, the buyer naturally concluded he had come to the wrong place. No firm worth anything could do business that way. Fortunately, someone "higher up" came on the scene, and was able to smooth things out.

Calling on a retailer whose business had lapsed a year or more, a salesman found a very malignant segment of illwill. The poor trader had nursed his grievance, until it had grown into absolute hostility. Very tactfully the salesman drew out the terrible fact that this attitude was due to an overcharge—of a few coppers, on some goods Every little error in service carries the probabilities of illwill creation.

TRADE AND THE LAW OF GRAVITATION.

No trader has a good excuse for these things, in blaming exacting customers, and over-critical and faddy buyers who expect too much, until his service is beyond reproach. Trade is very sensitive. It always gravitates to the point where the standards of service are best. Look into

the facts of any great success, and staff selection will be found to have a bearing on it.

If the business prospects on all first orders could be consolidated, business growth would be startling. Research into the subject of customer loss shows that average gains are only about 15% of the total passing through the books. Analysis of causes are indifference, errors, unfulfilled delivery promises, discourtesy, lack of tact. Now, some firms pride themselves on their ability to settle complaints. It is far more profitable to perfect the organisation. A complaints department in constant commission is but a commercial ambulance section—an overhead charge which should not be readily tolerated.

A1 BUSINESSES AND C3 BRAINS.

Goodwill being a product of collective service, its value rises or falls with the quality of the human efforts directing the details of the business. An A1 business cannot be run on C3 brains. Engine capacity can be tested to a fraction of its power, but no one has been able to measure the far-reaching influence of personality Industrial concerns like Cadbury's, Lever's, and the Amalgamated Press, owe much of their success to their ability to buy energy, loyalty and ambition. These giant businesses are eloquent realities of the power of goodwill.

Professor Huxley says, " A somewhat varied experience of men has led me to set less value on mere cleverness : to attach more and more importance to industry and physical endurance I am disposed to think endurance is the most valuable quality of all Industry, or the desire to work hard, does not come to much if a feeble frame is to respond to the desire. No life is wasted unless it ends in sloth, dishonesty or cowardice No success is worthy of the name unless it is won by honest industry and brave breasting of the waves of fortune "

ESSENTIALS OF STAFFS.

Executives are usually trained men, carefully chosen, but those they have to control and direct to work are seldom subject to any standards of measurement, before being engaged. Yet it is to character industry and commerce must look more earnestly for its driving forces. If Huxley, a deep student of humanity, places such values on the elements of industry and physical endurance, it is mainly for these characteristics the employer will look when he decides to lay down more solid foundations for his goodwill.

LOYALTY—TO AND FROM.

Select men, treat them well, and the employer may get a good stock of loyalty. Then there arises the question of an employer's rights and privileges in relation to his employees. Theoretically the employer has no right to dictate what his workpeople do in their own time. When a worker leaves office or works at the end of his day's work his time is his own. But if, in his own time, any worker unfits himself for work on the following day, the employer has a perfect right to complain. On the other hand, workers who fit themselves for better work have a right to complain, if the employer fails to reward them for their better service. Loyalty ought to work both ways : inwards to the employer and outwards from the employer.

Every human being registers a personal history and potentiality in appearance and a little study of an individual will reveal what he had been and is likely to become Carriage of body, control of action, speech, and fearless look betoken inward forces of endurance, industry and trustworthiness These qualities in appearance are not absolutely infallible, but a neat dress, well kept hair, teeth and hands may be taken as outward evidences of inward discipline.

PHYSICAL REACTIONS.

Physical capacity reacts on mental and moral capacities, so all signs of dissipation, smell of booze, flashy clothing, ill-natured and irritable expression, are marks of living which do not produce the efficient goodwill builder In some businesses a system which is an improvement on the old apprenticeship system is showing good results. The workers are carefully selected and they are taught the mechanics of their trade under the direct supervision of their employer

Some of the large retail establishments are giving preference to the public school trained employee If the idea promises well on the sales side, then it has promise for the manufacturing side. The limit of making men efficient " hands " has been reached It has become necessary to cultivate the great fallows of grey matter, to stir imaginations, inspire ambitions and put a premium on loyalty.

OPPORTUNITY! " THE ANGEL WITH UNRETURNING WINGS."

We are largely living on the past The future has no promise of hope if we continue on the old stupid régime Each day is as rich in its possibilities as preceding days have made it. All the experience gained is at our command. It can be welded into new ideals, by which the solution of our most difficult problems will come Goodwill is a human trait having its inception in the ethics of Christianity. It is increasingly dependant upon a higher conception of co-operative service. Let us open our own, and our workers' minds to the new thought.

Organisation of Committees.

By N. GERARD SMITH.

Limited Liability Companies are often adversely compared with businesses under private control. Is the disability inherent or is it due to insufficient comprehension of the importance of committee organisation ?

WHEN business men meet round a table it is at the expense of other important activities. They are there to discuss and decide some urgent matters relating to the business and must do it in the least possible time consistent with thoroughness.

A committee has to find the ground of common agrement and minute the action to be taken upon it, they must avoid dis-agreement, so there must be give and take for the benefit of the common good.

The control of business by the committee method has enemies, mostly engendered through failure. This is not the fault of the method but is due to the lack of organisation in the individual attempts. Like all human activities the functioning of a committee must be based upon science, the science is taught to student secretaries and is available to all who care to read.

THE MAN AND HIS JOB.

Business men have no time to study meeting procedure and the Sales or Production Committee is not given into the hands of a member of the Chartered Institute of Secretaries.

This article attempts to explain some of the most important factors that go to make successful meetings, it is based on experience of those somewhat informal meetings which are best calculated to reach a maximum number of decisions in minimum time The article does not refer to the major meetings as laid down by Company procedure but to the technical gatherings.

PERPETUAL MENTAL ACTIVITY.

The brain of a man of business is never idle, it is busy all day on one or another item of the work as these come up for attention At golf, even in bed, either consciously or sub-consciously the brain is at work. The man who can inhibit from his mind each item he has dealt with and concentrate on the next makes the most effective executive.

The psychologist has proved that each and every thought is recorded deep in the mind where it is still further developed without the fatigue of conscious cerebration. Herein lies the secret on which committee work must be based.

EFFECT OF PREPARATION ON DISCUSSION.

If the matters for discussion are new to the members until they arrive at the meeting, the whole procedure is slowed up as each has to do his thinking in a hurry and consciously. The discussion and decisions are, therefore, but half baked.

Although the chairman has to sanction the agenda he does not really commence to function until the meeting is in session, it is the secretary who has the lion's share of the work and who can make or mar the work of a committee.

SECRETARY'S DUTIES.

The first of the secretary's duties is to prepare the agenda and it is a more important part of the proceedings than some are inclined to think He must prepare some time before the date of the meeting and must make a short write-up of the matters for discussion to give an indication of the problem and to have something definite on paper to be shot at.

Many have experienced a meeting with an open agenda or have been called to discuss matters under a chairman who makes no comprehensive statement to start the discussion. A meeting of this sort may well take an hour to get started and the morning has gone before a single decision is reached.

HARNESSING "STRONG VIEWS."

The time of one man, the secretary, must be spent in putting on record the aspects and all the statistics of the subject so that members are able to read and digest them some days before the meeting is called. Each then comes with concrete ideas ready to be put forward with the greatest economy of time; it is even wise to encourage members with strong views to submit them for circulation thus enabling the others to meet the arguments with considered replies.

By such means the best brains of all are quickly pooled and unless there are cases of pig-headedness present, the requisite decisions are

soon forthcoming. Obstinate men have no business on committee at all.

The decisions reached must be minuted and the skill of the secretary is shown in so wording the minutes that all are agreed as to their meaning. This however is not enough, the vast majority of decisions carry with them the necessity for action to make them operative.

DECISION AND ACTION.

Let every minute definitely instruct an individual or a group of individuals with a convenor to perform the action and let the secretary bring the matter up meeting after meeting until it is disposed of. One can see resolutions passed time and time again—see the Annual Trades Union Congress—which are purposeless because it is not up to a stated individual to carry out the decision; in the above instance the resolutions are too often ludicrous because no action is possible.

If the action requires a report when it is completed, the report must be in the hands of the members some time before the meeting at which it is to be accepted or discussed. How often do we see the report read to the meeting and followed by an ill-informed discussion because the speakers have been obliged to think it all out on the spot?

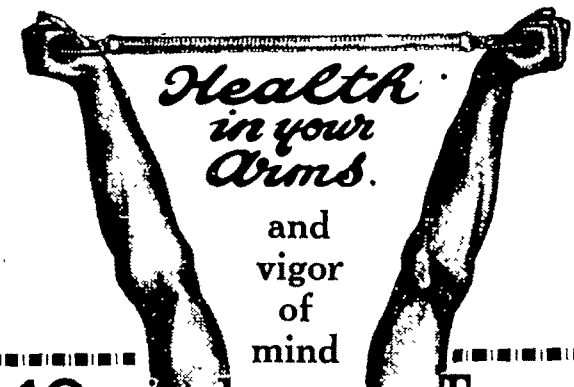
MINUTES.

As to the form of the minutes themselves it does not matter a hoot, in the type of meeting under review, who proposed, seconded or voted for the proposition. If a member desires to record his dissent to the decision for the purpose of disclaiming responsibility he may claim the right to have the fact entered but such occasions are rare in purely business affairs

There is a difficulty where certain decisions have to be circulated to others outside the meeting, as instructions to the whole body of salesmen The matter will be too urgent to wait for the adoption of the minutes at the next meeting, so sanction has to be obtained during the session. This may be done on the minute as recorded by the secretary and it is his funeral if he does not use the actual wording sanctioned.

Minutes are circulated to the members as soon after the meeting as possible and in the order discussed or possibly in agenda order, this sequence also obtains in the official record A variety of subjects are always covered and subsequent reference is much facilitated if the secretary prepares a second set segregated according to subject, thus all the decisions on any matter are to be found in one folder.

In a word the efficiency of a committee depends primarily upon the secretary and secondarily on the chairman in preventing the discussion from wandering into side issues.



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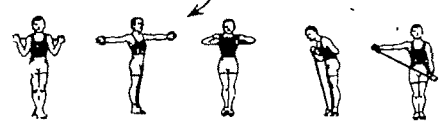

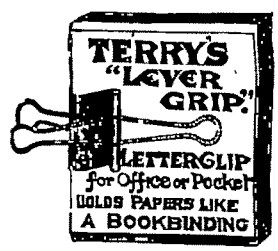

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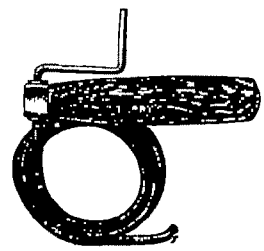

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Mechanical Transport.

By GEO. B. LISSENDEN, M.Inst.T.

Invaluable and practical advice upon what may be obtained—and what not to expect—from highly efficient mechanical devices for lifting and moving goods, indoors and out. The author is an undoubted authority and writes from first-hand knowledge of use.—EDITOR.

THE commercial uses of mechanical transport are great and growing. Almost every day some new or improved piece of machinery is put on the market which enables the business man to effect the transportation of his goods more efficiently and economically.

IN THE PACKING ROOM.

In the packing room, for example, the gravity conveyor is fast displacing the man with the truck. Hand labour is all very well in its way, and it will never be entirely displaced—where the space is limited and the distance to be traversed is short it is not possible, in many cases, to substitute the new method for the old—but where there is plenty of head room and the distance from (say) the packing benches to the warehouse is a long one, it undoubtedly pays to instal a gravity conveyor, as then, of course, "gravity does the work"—or most of it, at any rate. At a particular factory which the present writer visited recently in an advisory capacity, he found that twelve men were continuously employed in trucking goods from one point to another, and stacking them up there ready for despatch. The average wages of the men so employed was £3 per week, so that the cost of this "trucking" was £1,872 per annum. The installation of a gravity conveyor was advised, and this was very soon purchased and erected. It cost nothing whatever to provide the motive power to elevate the packages on to the conveyor, as this was already available in the immediate vicinity and running to waste. The cost of the equipment and the erection of it was £1,200, and to-day the same work is being done with only six men—two to "feed" the elevator in the packing room and four to receive the goods at the other end and stack them in the warehouse. The wages cost of the job has, therefore, been reduced by 50 per cent., so that the factory owner has a pretty big margin with which to meet his capital cost and provide for the future.

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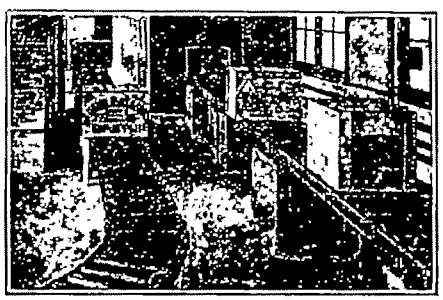

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REAL "LABOUR SAVING."

Where there is little or no head room, it is obviously impossible to adopt the conveyor system, but where there is plenty of floor space to permit of their use, electric vehicles can often be introduced with advantage. In another factory which the writer visited during the last summer he found no fewer than twenty men engaged day in and day out wheeling packages on hand trucks from one point to another—a system which had been in vogue in the same place for nearly thirty years. To-day, instead of the girls at the packing benches stacking their full cases on the floor haphazard, they are placed on raised platforms which stand alongside them until a load of forty cases is made; then an electric truck, operated by a girl, comes along, places its "elevator" underneath the loaded platform, and runs away with it to the railway loading bays, where four men complete the task of despatching. In this case two girls and their electric trucks, plus four men to do the off-loading of the platforms, do the work hitherto performed by twenty men. Here again the provision of power—the "juice"—was a simple matter: the firm generated its own electricity and could charge up the trucks each night ready for the next day. The saving in this instance amounted to nearly £1,800 per annum, as not only were the wages of fourteen "truckers" saved, but the packing girls worked more expeditiously as they hadn't so much lifting and bending to do—their energy, in other words, was reserved for their legitimate work of packing.

But even if, for some reason or other, neither gravity conveyor nor electric truck is capable of adoption, it is surprising what the selection of the right kind of hand truck will do. Experiments made recently with hand trucks, specially fitted with ball bearings, showed that the users of them could do more work with less fatigue than when they were supplied with ordinary hand trucks, the wheels of which merely spun round the axles, and in time produced friction.

IN THE YARD.

For outdoor haulage purposes the tractor—of which there are at least two very efficient specimens on the market—is fast coming into favour; but here again—as with the electric truck—it is wisest to have the power unit separate from the carrier or "container" For the haulage of (say) bale goods from warehouse to railway goods station, where with horse haulage there is bound to be a large amount of standing time whilst the vehicles are being loaded and off-loaded, a tractor is equal to at least three horses and lorries. The proper equipment, in this case, is a tractor and three trailers—one trailer to be at the loading point, one at the unloading point, and one *en route* behind the power unit, the tractor. The minimum upkeep of a really good horse and lorry is £1 per day, or—let us say—a minimum of £1,095 for three. For the same amount (or less) you can buy a first-class tractor and three trailers, and, as already stated, do as much road haulage work—if not more, which is the more likely. If you convert your three horse lorries to run behind a tractor—a fairly simple job, by the way—your outlay would only amount to about £300. In any event, it can be taken as a safe proposition that where good loading and good off-loading can be effected, and where the haul is a fairly long one (that is to say, not merely between one warehouse and another a couple of hundred yards or so away), a tractor is an economical machine and will put hundreds of pounds per annum into your pocket. Moreover, a tractor can be utilised for other purposes—*e.g.*, to provide the power to drive a mixing machine where overhead power is not available, for drilling, for light shunting work, even for sawing and planing, and so on—when not required for the function of road haulage.

EXAGGERATION—AND A SUGGESTED CURE.

By the way, some energetic and enthusiastic salesman of tractors may tell you—as one once told the present writer—that his particular machine will do the work of a steam railway locomotive. If he does, throw him out of your office with out delay, for he is deceiving you. A tractor will do no such thing. It will pull one empty railway truck—perhaps two or three, if all the conditions are favourable—on a dead level, but it will not, in spite of whatever you may be told, pull six or eight loaded wagons up a steep incline, and it is ridiculous for such a statement to be advanced in support of the adoption of tractor haulage—as it sometimes is. There are two or three petrol-driven railway locomotives to be got—engines built specially for light railway shunting purposes—and the writer can personally testify that at least one of these is a very efficient instrument indeed, sufficiently powerful to move six or seven loaded wagons on a dry, level rail; but, obviously, they have their limitations, and cannot be expected to displace an 18-inch steam locomotive. It is economical, of course, to purchase one of these petrol-driven locomotives rather than a big 18-inch steam locomotive, to do night shunting if the call for loco. power during that period is not very great. One has to bear in mind, too, that however careful a driver there may be manning a steam locomotive, he cannot avoid the emission of a certain quantity of objectionable smoke—always a source of annoyance in a

factory where, for instance, foodstuffs are manufactured—whereas with a petrol-driven machine there is nothing of the sort to contend with. Also, where a petrol-driven locomotive is used one has nothing to fear from a coal strike.

LIFTING AND CARRYING GEAR.

Runabout cranes are another modern invention which are finding favour here and there. Some of these are electrically driven, through a long, flexible cable, whilst other are petrol driven. Their lifting power varies from ten hundredweight to two tons, and their superiority over a steam crane, which is confined to a set of rails, will be apparent at once: they can go where the work has to be done, whereas when heavy packages have to be loaded on to a lorry and only a steam crane is available, the job has to be taken to the lifting machine.

Then there are electric lifters and barrel carriers—machines specially built for the transportation of barrels of pitch, oil, and what not, from one part of a factory to another. The old-fasioned way, as we all know, is to have a gang of two, three, or four men, according to the size of the package, to roll the cask or barrel from point to point, but these new machines will pick the container up in two long hooks, elevate it six or eight inches, or more if required, run away with it to the dumping ground, and deposit it just where it is required for storage. One such machine can easily do the work of eight men, and costs, according to the service required of it, from £600 upwards.

When all is said and done, the most efficient machine, of course, is the human machine, but—taking the long view—it is not fair to any man to keep him employed on some laborious job which can be better performed by some piece of mechanism specially designed for the purpose. And it will probably pay the reader to investigate the possibilities of some of the time- and labour-saving appliances mentioned in this article.

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Do You Want to be a Chief?

By MAX RITTENBERG.

Sixth Article.

IN this final article, I want to focus attention on one of the difficult, most vital, problems of the principal or director—that of engaging and training staff.

I want at the same time to suggest how the young fellow in business who is firmly aiming to become eventually a director in an existing firm, or his own master in a business of his own, may prepare himself for this task.

Consider the point of view of the principal who is about to take on a force of salesmen; naturally wants to engage the right men; and hopes they will stick by the firm.

Candidates galore come to him through want ads and through recommendations by friends or by the colleges of salesmanship As young Jones enters the room, and seats himself by the employer's desk confidently or diffidently (according to his temperament), the employer is thinking to himself:—

"If I engage this young man; spend time training him, and then find he is N.G.—what will it cost me?"

Many firms have made figurings on this point. The ones I have seen vary from £50 to £100 per traveller. This is the real and actual loss to the firm if the traveller proves inefficient and has to be replaced after a trial period of a few months.

In view of this heavy expense when travellers "turn over,"—which every employer is naturally anxious to avoid—is there any test or tests which will guide one in the selection of a good traveller?

Frankly, there is no infallible rule.

POINTS TO COPY—OR AVOID.

Sales managers of long experience get "let in" now and again with men who prove duds when sent out on the road. But, the experienced sales manager does not go on making mistakes all the time. It is only occasionally that his judgment is at fault, and this must mean that there are certain signs of manner or speech which enable him to make a correct judgment in the majority of cases.

From the point of view of the ambitious young man, it is well worth while observing the different types of travellers who call on one's own firm. How do they appear, what do they say, at the enquiry counter? Do they make a first impression which is both pleasing and authoritative—or do they appear self-centred, cross, tired; or diffident and uncertain of their reception by the buyer?

If you should notice the traveller waiting in an ante-room for his interview, is he fidgety, or is he obviously idling his time away, or is he occupying his time by studying his order book, making notes of people he has called upon and people he expects to call upon, and so using his time to useful purpose in recording or planning sales?

If you ever have the privilege of seeing the man when he gets into the buyer's presence, by all means observe what sort of impression he makes on the buyer—whether pleasant or unpleasant, friendly or unfriendly; whether his opening words are straight to the point, or are round-about and time-wasting. Note, if possible, which men get the orders and which do not; which men managed to receive a long hearing without apparently tiring or annoying the buyer; and which men are dismissed rapidly

Out of these impressions of travellers at the enquiry desk, in the ante-room, and in the buyer's room, an observant and analytical young fellow ought to be able to deduce for himself some of the points of manner and speech which make the difference between a good salesman and a bad one. All this valuable knowledge is to be stored up against the time when you will be a principal or director yourself.

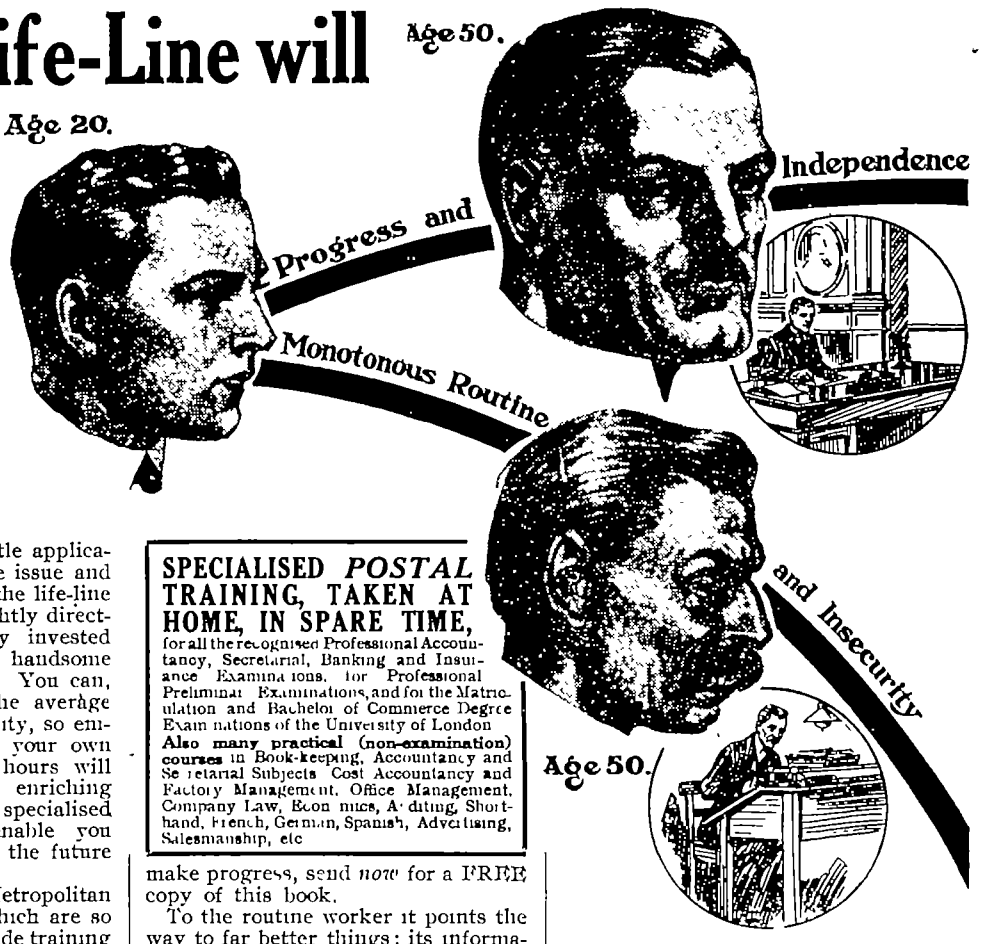
THE ENGAGING OF OFFICE STAFF.

If a "want ad" be put in the "Daily Telegraph" for a shorthand-typist, the result is likely to be hundreds of letters—literally hundreds—far more than any one man can read and judge carefully. The advertiser has to select half-a-dozen or a dozen of this mass, and ask the writers to come and see him.

There is no certainty at all that these dozen or so will be the pick of the bunch, but what is absolutely certain is that the vast majority of the couple of hundred are mediocrities, and many of them quite incapable of taking a letter correctly and typing it neatly without mistakes If office help is taken on, and after a few weeks proves unsatisfactory, there is again (as with a salesman) a considerable expense for the "turnover."

Which Life-Line will YOU choose?

Will you in the years to come be among the needy or the needed, a mere tool for others who are carving their way to fortune, or the sculptor of your own success?



Just a little effort—a little application NOW—will decide the issue and plant your feet firmly on the life-line called "Success." For rightly directed effort is like soundly invested money; it repays you in handsome dividends for wise outlay. You can, even if you have only the average share of ambition and ability, so employ your spare time, in your own home, that your leisure hours will become treasure hours, enriching your mind with the specialised knowledge that shall enable you to achieve those aims for the future which you have in mind.

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Is there any means whereby the principal or office manager can judge of the capabilities of applicants? This is easier than with a traveller, because definite tests can be set and carried out straightway, such as taking pieces of dictation, or re-typing a document which is in bad shape so that it will look attractive and easily readable. A manager of experience will have his tests all ready, so that when the applicants come one by one into his office, he can ask them a few questions and then turn them straightway on to the prepared tests.

THE VALUE OF REFERENCES.

The references to which most young men and women attach great importance are regarded very lightly indeed by an experienced business man. He knows:—

1. That very few employers indeed would give a "bad reference" to someone who had done his or her best for him, and was leaving because of general incompetence or any other reason than sheer dishonesty. In the writing of a reference, almost any employer will strive to say the best he can, and to ignore the weaknesses. So, these documents have very little real value.

2. There are still many businesses where the standards expected in shorthand and typewriting are so low, so slipshod, that a good reference from an employer in this category is no guide at all as to whether the applicant will turn out first-class work.

THE ENGAGING OF A BOOKKEEPER.

A friend of mine mentioned a little while ago a quite interesting problem in the engaging of a bookkeeper who was to look after the whole of the accounts of a fair-sized business.

He had winnowed the applicants down to two. One of them was a middle-aged man with good experience, married, with two children, obviously of the hard-working and plodding type, and equally obviously short of initiative.

The other was a young fellow of 27, unmarried, who had taken degrees in accountancy, and was obviously ambitious and enterprising.

Which of these two men would best serve his purpose?

Your answer probably is: "What kind of business is it? Is it preferable to have a man who is a plodder or a man who is a flyer?"

That is exactly so. The answer must depend on what the employer is really seeking for the course of many years ahead—whether he wants a man who is likely to stick with him steadily for a long time, or a man who will brisk things up immediately but may not be relied upon as a permanent member of the organisation.

And what this instance shows is this: That the one type of bookkeeper would fit very well into one particular business, and the other man might be much more suitable for another type of business. It divides the class of office help into main divisions—the plodder and the flyer—who are to be distinguished quite clearly by their features at a first glance, even before one begins to talk to them. The books on reading of character from facial appearance take this well-marked difference as a starting point, before they go on to other differences which are less well marked and require closer observance and training to interpret.

It is worth while for any ambitious man who hopes eventually to be in a position where he will select and engage staff, to know these elementary points of character, as shown in faces and bearing, and to be able to recognise them quickly.

THE TRAINING OF STAFF.

It is not practicable, of course, for the young fellow I am now addressing to train staff himself, but he can very well observe what happens when salesmen and office members are being trained up in the business—what methods to employ, and the actual results from such training.

Salesmen are often given from a week to a month in the learning of goods, factory processes, sales policy and specialised methods of sales procedure. Office men are sometimes put through the factory in order to give them an all-round knowledge of the business. Some men respond remarkably well to these methods of acquiring knowledge. Which men are they? And which are the ones on whom the training seems to have little tangible effect? Is there anything in the appearance of manner of these two classes of men which is worth considering as the mark of a man who is trainable and a man who is not?

SHORT-CUTS TOWARDS THE SELECTION OF STAFF.

It is very difficult to judge of a man or woman's present and future capabilities in one brief interview, and mistakes are made now and again by even the most experienced and shrewdest of employers, but as stated before, such men don't keep on making mistakes all the time—they guess right far more often than they guess wrong.

Employers nowadays are coming to rely more and more on the sifting and winnowing process of getting their candidates from a training college or an employment agency of the highest class, which has set out definitely to perform this sifting process for the busy principal. Not all training colleges, and by no means all employment agencies, take this care and trouble. Many of them are simply out to "place" as many men

and women possible, without regard to capabilities and fitness for a particular post and are looking solely to volume of fees through the number of people so placed.

It is well worth while to know which colleges, which employment agencies, can be relied on to perform a real sifting before they send candidates along to waste a busy man's time, or worse, to involve him in the expensive " turnover " when the staff thus taken on prove eventually to be unsatisfactory.

OPPORTUNITIES FOR OBSERVATION.

The opportunities for observing character and capabilities of men and women for posts as salesman, bookkeeper, private secretary, and so forth, are continually available to anyone who has the eyes to see and the mind to analyse. But so many young men never stop to think of this point —never look round the office and say to themsleves: " When I am in business of my own, which of these fellow workers of mine would I like to have with me, or which of the travellers who call on this firm every week would I like to have on my own sales staff, to sell my own goods or services? "

I suggest that this form of observation is, in the long run, as important for an all-round principal as the other aspects of business (seen from the chief's desk) which have been discussed in previous articles, viz:—

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The discovery of Platinum in South Africa makes the following account of this wonderful and prized metal of timely interest. It is worth to-day over twenty-four pounds sterling an ounce, being the most sought after of the rarer metals. It is found to-day in the rivers of Colombia and is put to a variety of uses.

By HAROLD SHEPSTONE, F.R.G.S.

THE recent discovery of platinum in the Transvaal, South Africa, has naturally incited no little interest, for of the rarer metals platinum is one of the most sought after How scarce and valuable it is, is evidenced when it is stated that the market price of this silvery white metal is £24 10s. per ounce. Yet a century ago the native miners, seeking gold on the rivers of Colombia, in South America, tossed the platinum they found away as valueless. Fifty years ago you could have picked up the metal at 20s. an ounce. In 1880, because of the demands then being made for it, the price had risen to 35s. an ounce; ten years later it fetched 80s. an ounce. As already stated, its price to-day is 490s an ounce, and unless the present output is increased the development of many arts and sciences are liable to be seriously checked.

MAGIC PROPERTIES OF PLATINUM.

The high price of platinum to-day is due to its scarcity and the many and varied uses to which it is now put. Although found in a metallic condition, chemists can convert it to many other forms and states. It is the second heaviest element known, pride of place being occupied by its ally, iridium. It is the best known conductor of electricity know next to silver It contracts and expands less than any other metal and indeed would appear to possess almost magical properties In powdered form it will absorb eight hundred times its own volume of oxygen, and a bit of this powder plunged into gas will burst into flame. Certain chemicals will combine only in the presence of platinum, the platinum remaining unchanged

ASSOCIATES OF HIGH VALUE.

Then in the process of refining platinum other rare metals are found, such as iridium, palladium, osmium, rhodium, and ruthenium, all of which possess special attributes and are correspondingly costly, some of them even exceeding platinum in value. Iridium, for instance, has fetched as high as £65 an ounce Alloyed with iridium platinum becomes the hardest of metals and for that reason is greatly favoured by jewellers. Designs as thin as a spider's web can be made of it and subjected to rough usage without injury. Because of this, the most intricate designs can be carried out in jewellery by the use of an astonishing small amount of the metal. This in a measure overcomes the high cost per ounce. When used as a setting for diamonds, it imparts a bluish white lustre to the stones which greatly improves their appearance. It does not oxidize or tarnish, and for that reason imitations are easily exposed; it is a very popular metal. The jewelry trade at present consumes about half the yearly output.

ONE FIFTY-THOUSANDTH OF AN INCH.

The ductility of platinum is astonishing. What is known as Wollaston wire is drawn so thin as to become invisible to the naked eye. Such wire is laid in minute squares across the lenses of great telescopes. Under high magnifying power it becomes visible; and enables the astronomer to make extremely delicate measurements Wollaston drew the wire down to one thirty-thousandth of an inch. But it is said to have been drawn to one fifty-thousandth of an inch. That is to say, a cubic inch of platinum would make a wire about 50,000 miles long—it would go twice round the earth at the Equator. Wollaston wire is made by drawing it as fine as possible, coating it with gold, drawing it again, and dissolving the gold; recoating, redrawing and repeating the process again and again.

RECORDING RELIABILITY.

The electrical trades could hardly get on without platinum. It was formerly used as "leading-in" wires for electric light bulbs and as contact points for magnetos in petrol engines and in places where great heat is developed, because it has a high fusing point, 1,775 deg. Centigrade, or 3,227 deg. Fahr., and expands less under high temperatures than any other metal. For that reason it is used in pyrometers to measure temperatures in furnaces. Its action is absolutely constant under like condition so its readings can be depended upon.

Because of its present high price it is used now only as coating for "leading-in" wires on cheap engines and bulbs. But where absolute certainty

of operation is needed, as for aeroplanes, submarines, and racing motors, platinum-iridium points are demanded. The freedom from oxydization makes the metal ideal for spark plugs, which when it is used, are always clean and give a sharp spark.

UNIVERSAL UTILITY.

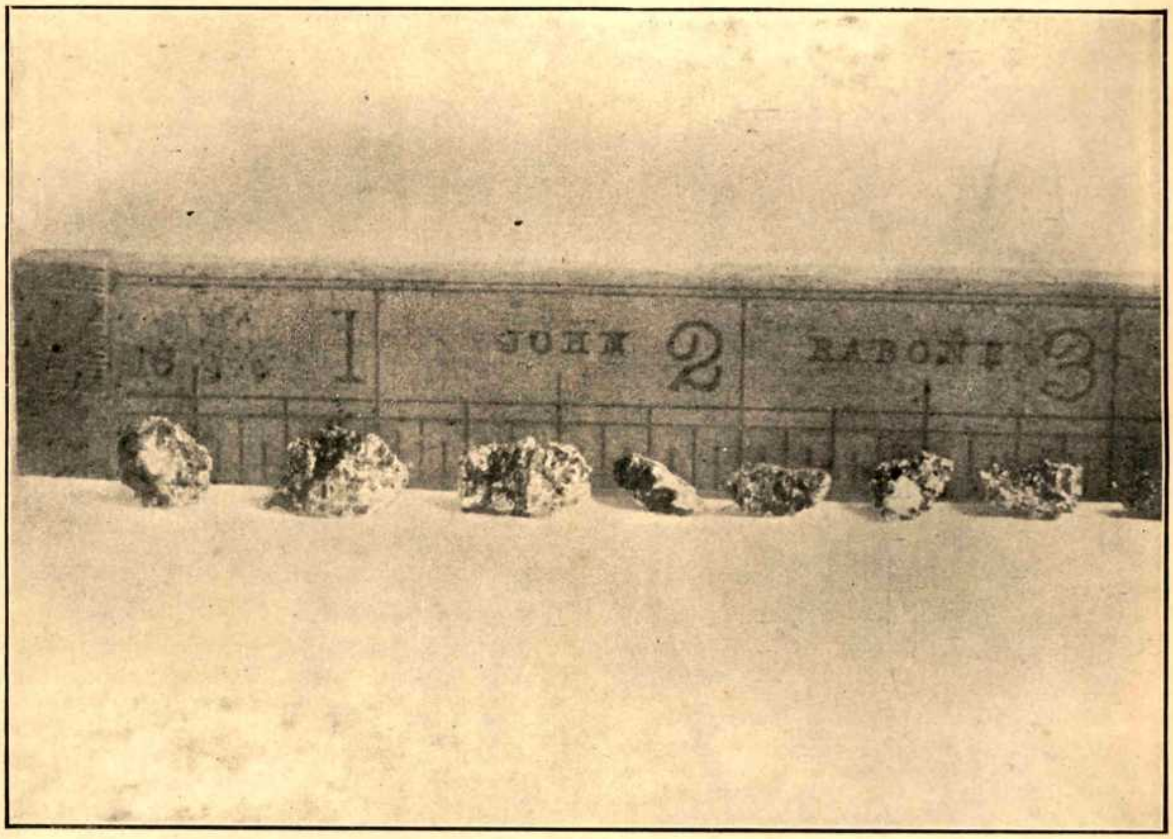
Its non-magnetic character makes it a necessity as a deflector in the X-ray. Its perfection as a non-conductor of electricity plus its high fusing point brings it into use for tips of lightning rods, antennae of radio systems and for audion bulbs, submarine detectors, and earthquake recorders. With iridium it is hard and desirable for contact points on the telegraph key, giving perfect connection with a loud click. It is necessary on all electrical switch-boards.

A combination of platinum and iridium is used for high grade gold pen points, but osmiridium is also employed. For cheap pens tungsten is used, but it oxydizes in the ink. The great value of platinum for many things lies in the fact that no acid but aqua regia will effect it. It is for that reason the dentist employs it. Acids of the mouth will destroy almost any other metal in time. Dentists use about twenty per cent. of the output.

USES IN WAR.

Dental surgeons and others used platinum during the war to save many lives and prevent much suffering. It was made into plates as thin as .0005 of an inch and these plates utilized for artificial roofs for the mouths of soldiers whose faces had been shot almost away. War surgeons also used it for bracing shattered joints and in several instances it replaced large sections of skull. One famous Ace has a platinum frontal bone and sixteen other bone replacements in his body. Without platinum his life would have been lost. The metal is insoluble in any of the acids of the body and wounds heal over it so that after a few years the parts become practically normal.

In addition to its spectacular use for surgery and for firing fuses, platinum played a very im-



Nuggets of Colombian Platinum compared with three inches of a foot rule to show the size.

[From Block produced by Central Process Engraving Works.

portant part in the Great War. Without it the Allies would not have been able to make sufficient high explosives or poison gas. The modern, quick way of making nitric acid and fuming sulphuric acid is through the use of platinum as a catalyser. Chemists cannot explain why, but it is a fact that only when in contact with platinum will certain chemical changes take place. The metal was therefore extensively used for gauze and for crucibles.

Before the war Germany was taking as much as 750,000 tons of nitrates from Chile every year and out of it was getting some 116,000 tons of nitrogen. During the struggle none was obtained there. But by using platinum catalyzers Germany was found able, at the close of the struggle, to produce no less than 500,000 tons of fixed nitrogen a year out of the air. So far as explosives were concerned the war could have been carried on for ever. Platinum is the key that unlocked the inexhaustible supplies of nature. Not only for war but for peace is the nitrogen industry important, for, properly applied to certain lands, nitrogen will increase the crops fourfold.

VALUE IN PEACE.

Naturally it is indispensable for chemical apparatus. For this purpose its freedom from acid combinations, its ductility and high fusing point make its use possible under almost any condition which may arise in analyzing any substance from iron to milk. Gold is assayed in platinum crucibles. Tweezers and pincers for surgical work are for the same reason tipped with platinum, insuring strength and sterility. Platinum salts are used in the printing of high grade photographs. The so-called platinum printing ink, is not platinum, but aluminium, although it looks like platinum.

Platinum possesses a greater specific gravity than any other substance, save osmirium and iridium, which are found with it. It is almost the heaviest thing in nature, having a specific gravity of 21.5. Gold weighs 19.3 times as much as water, and until platinum was discovered was believed to be the heaviest of metals. How heavy the substance is may be gauged by the statement that a solid cubic foot of platinum would turn the scale at 1,270 pounds, or more than half a ton and defy a strong man to shift it. Yet a similar cubic foot of coal would only weigh about 80 pounds.

SPANISH COUNTERFEITING.

When it was discovered that platinum weighed more than gold, it led to a great deal of counterfeiting. History records how spurious Spanish doubloons made their appearance with only a thin coating of gold. They passed without suspicion until the gold began to wear off. Dutch traders who receive such counterfeits on the coast of South America were so annoyed that on their next voyage they hanged the traders from whom they had received them. Those doubloons would have been worth about 35s. if pure gold. To-day they would be worth over £9 if pure platinum. Czar Nicholas I. of Russia began making coins in platinum in 1823, but this coinage was suspended in 1848 when the coins became worth more than their face value.

HISTORICAL FACTS OF PLATINUM.

Although it is only within recent times that the wonderful properties of platinum have been recognised, archæologists tell us that thousands of years ago the ancients of South America worked the metal into ornaments for their kings and priests. In the American Museum of Natural History in New York is a collection of such jewels taken from the tombs in Ecuador, supposed to be not less than two thousand years old. In fact the story of platinum is like some fairy tale about a little lost prince. After ages of neglect the prince has come into his own with all mankind to pay homage.

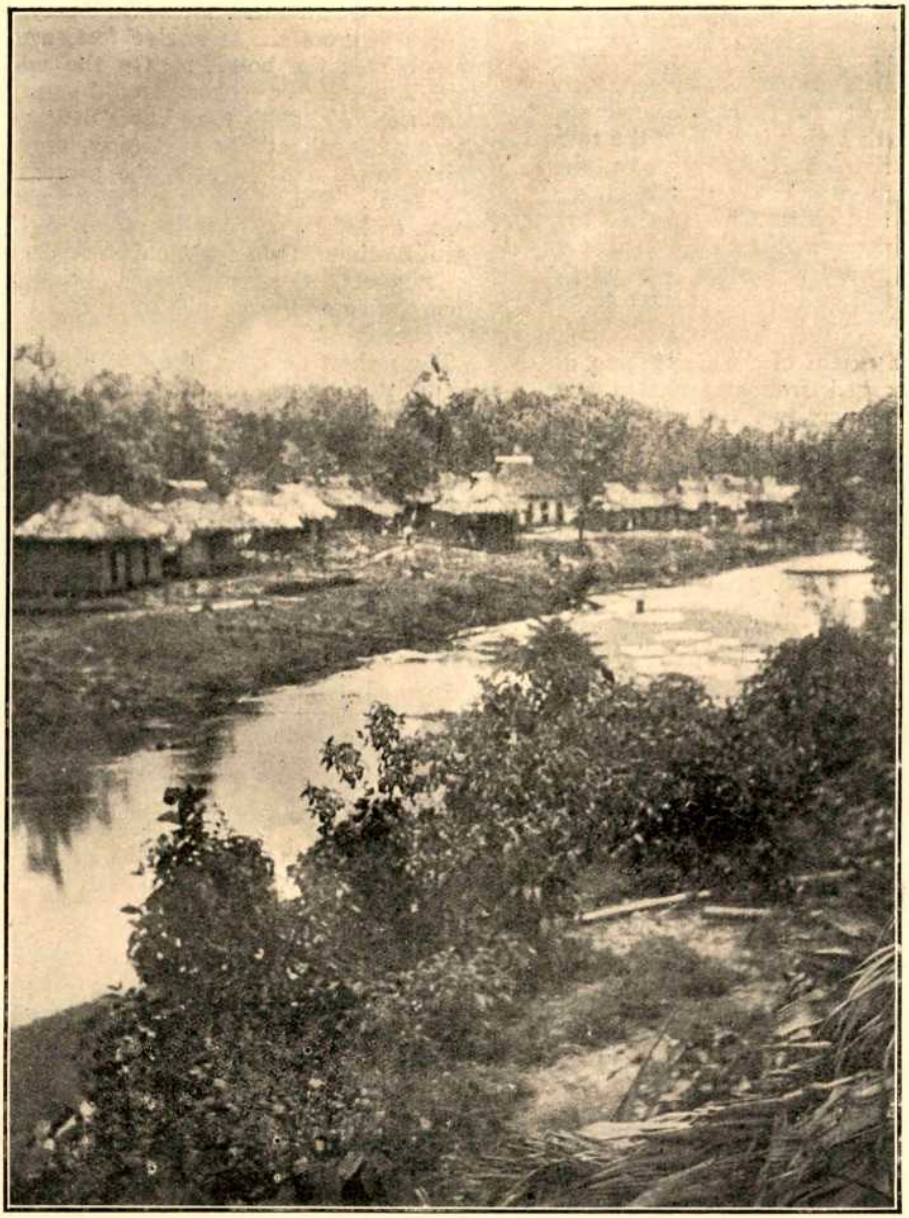
The art of working platinum was lost and not rediscovered until three hundred years after the Spaniards came to America. It was another hundred years before it was recognised as having unusual value. Not until the Great War came was it considered unusually precious. At that date Russia was producing 300,000 ounces a year, or 95% of the world's production. Colombia, in South America, yielded about 12,000 ounces a year, while the rest of the world contributed a beggarly 1,500 ounces.

DISCOVERY IN RUSSIA.

It was in 1819 that platinum was discovered in the Ural Mountains of Russia in the Iss and Veeyz rivers, where it has been produced in the greatest quantities. Here, as in Colombia, it is obtained by dredging, sluicing or hydraulicing, or by native workers, from alluvials—washed dirt and gravels—in which, during the course of ages, it has been deposited. Bolshevik rule has disorganised the industry, and to-day the output from Russia has fallen to about 25,000 ounces a year. Many experts are agreed, however, that Russia could not have maintained her output of 300,000 ounces a year for any great length of time, and that it was necessary to look elsewhere for the metal. Through the initiative of an English company the output from Colombia now totals about 50,000 ounces annually, but the rest of the world is yielding little more than before. Hence the announcement of the discovery of the prized metal in South Africa is hailed with great satisfaction. So far no rich deposits have been found in the British Empire, far-flung though it is. New South Wales and Tasmania

produce a little, while on the Tulameen River, in British Columbia, Canada, there are some showings of the metal. Some have also been found in sea sands along the Pacific coast of Oregon and the southern part of Alaska, but in such small quantities as to be almost negligible. The United States produced about 500 ounces last year chiefly as accidental recoveries from other ores, much of it from nickel which came from Canada to be refined.

At present the world is chiefly dependent upon the Republic of Colombia for its platinum, for even should workable deposits be found in the Transvaal or elsewhere it would take some little time to bring them into profitable production. So far as Colombia is concerned it is only on the San Juan, Opogodo, and Atrato rivers in the Choco district that platinum has been found in large quantities. Here it is still being obtained by the natives in the most primitive fashion and also by the more scientific method of dredging. Since the Spaniards first went to South America it is computed that the natives have taken £1,200,000 worth of gold from the rivers of



Platinum and Gold Mining Village in the Rio Oporgodo Republic of Colombia.

[From Block produced by Central Process Engraving Works.

Colombia! As they washed the gravel for gold they were always finding platinum which they regarded as valueless. Until about a century ago all the platinum they found they tossed back into the streams.

WASTE BECOME WEALTH.

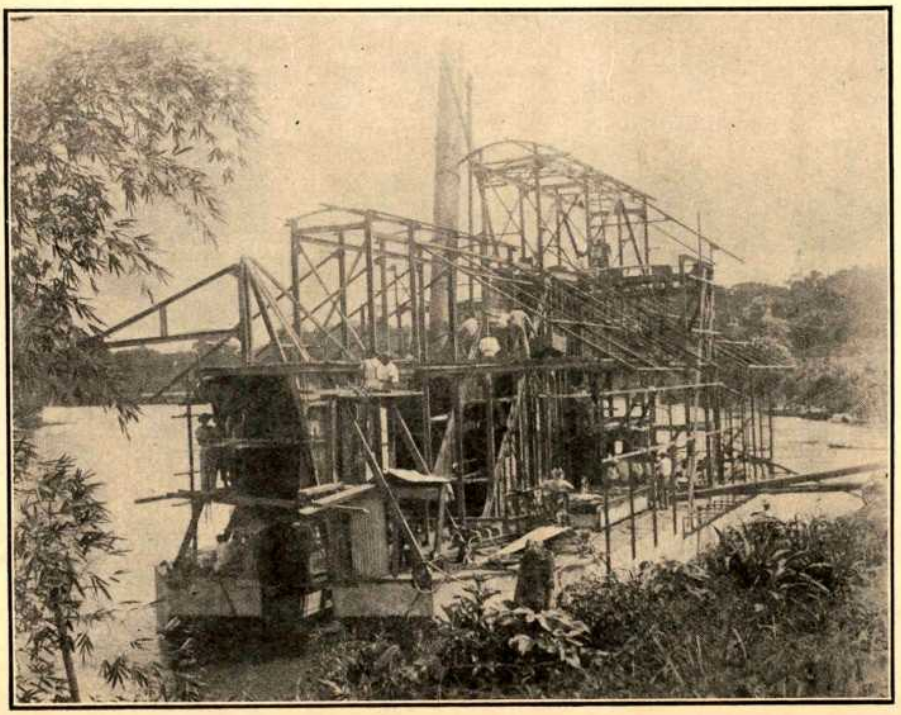
This habit of throwing platinum away caused great excitement in the town of Quibdo about twenty years ago. A sudden advance in the price of the metal caused the natives to remember how they had been throwing it all over the town from time immemorial. So they began panning the town. The government stepped in and panned the streets and citizens mined their own courtyards and gardens with rich results. One patriot burned his house and after panning the ruins rebuilt his home and had a balance to the good as a result of the fire.

Some idea of the extent of the Colombian deposits may be learned from the fact that a British Company has now two large dredgers at work on the San Juan and its principal mineral tributary, the Condoto, and will shortly have a third. It has dredging rights for the entire length of the San Juan river, which is more than two hundred miles from the ocean to headwaters. An American company is also represented by two dredgers. All the other production of the country is from native workmen who go singly or in small groups along the rivers taking only metal as is easy to wash out. Under the laws of Colombia native may take any mineral they find in the rivers.

PRIMITIVE METHODS.

As already stated, their methods are decidedly primitive. Women do most of the digging while men sit in the river banks and wash the gravel as the women bring it to them. These women dive into the water or tie heavy stones to their bodies to weigh them down while they walk into depths of from six to twelve feet, scraping the gravel from the bottom. On the whole these primitive treasure-seekers would appear to do very well. Though they know little or nothing about modern methods of mining, they have not much to learn as regards the present value of the metal. With them it is generally two days' work and five days' idleness in a hammock. With platinum they find gold in separate grains, or nuggets, the proportions being roughly, seventy-five per cent. platinum and twenty-five per cent. gold.

The richest deposits of platinum are found in the layer of gravel above the bed-rock from ten to thirty feet below the bottom of the rivers far beyond the reach of these native miners. Only the dredgers can reach this enriched gravel. The bed of the stream is soft enough to be cut and dredge buckets dig into it from six to eight inches and bring up all possible values with a minimum of waste. A modern dredger is an expensive affair, costing as much as £50,000, but in a year it is capable of performing very valuable work. For instance, last year a single dredge of the English company working in the San Juan recovered in 5,875 working hours 4,802 ounces of platinum and 1,470 ounces of gold.



A Platinum and Gold Dredge under Construction and nearing Completion.

[From Block produced by Central Process Engraving Works.

The Management of Men.

By CUNLIFFE L. BOLLING,

Author of "Commercial Management," "Sales Management," etc.

Sixth Article.

In previous articles Mr. Bolling has dealt with the management of the rank and file of manual workers, clerks, salesmen and shop assistants.

He now concludes the series with some practical advice on the employment of managers, foremen, overseers and other executives.

Next month, Mr. Bolling will contribute a special article on Britain's position in International trade, entitled, "Is Britain's problem a selling problem?"

IN dealing with the employment of manual workers, clerks, salesmen, and shop assistants, I emphasised the importance of encouraging ambition amongst them, and of endeavouring to make each job in the factory, office or shop a stepping stone to a better position, so that no employee is in a dead end job and the executive officers will be recruited from the staff.

Now I know that many employers find ambitious men and women difficult to deal with—so much so that they prefer the plodding, easy going type of worker who "stays where he is put" and is not continually pressing for more authority or more salary.

At the same time these employers realise that they need the ambitious worker's energy and initiative and in a reluctant manner they set out to obtain his services. Hence we have the anomaly of employers advertising for a man "with initiative and intelligence, able to work without supervision," and yet giving this man no opportunity to employ his initiative and intelligence, and not even allowing him to do his day's work in his own way.

HANDLING AMBITIOUS WORKERS.

The root of the trouble is that few employers know what to do with an ambitious employee when they have been fortunate enough to find him.

Ambitious workers require more careful handling because they are a more powerful force than the plodders, just as a powerful explosive needs more careful handling than a mild one.

Every worker can be regarded as a certain amount of power and energy applied to business and the more powerful and energetic a worker is the more closely must his employer keep in touch with him.

When an employer obtains the services of an ambitious man he must guide the power and energy of that man so that they are used to the best advantage in the business, and he must give the man some definite objective to strive for.

If the weak point in the employer's business is his advertising campaign, he should apply his ambitious men to the problems of that campaign. If he has a department of his business that is capable of great expansion, he should employ his ambitious men in that department.

These men, when properly handled, will develop his business for him. The ambitious workmen will improve the quality of his products and produce new trading lines, the ambitious clerks will bring new ideas and new methods to the office routine, the ambitious salesmen will break into new territories and the ambitious shop assistants will establish new branches.

If the employer fails to give the ambitious workers guidance and to make their progress identical with his, they will develop their own plan of campaign and their ideas and ambitions will be applied outside his business. They will learn all they can of his methods and then depart in search of opportunity, taking to some other employer the benefit of the lessons they have learned.

"DEAD END" EXECUTIVE POSTS.

Many employers make the fatal mistake of creating a number of closely defined executive jobs, each one carrying a distinctive title, and striving to avoid any change in the executives or their respective duties.

For example there may be a sales manager, a works manager, a buyer, a secretary, an accountant, and a cashier, and every one of these men

may find himself in a dead end job. If the post of "Secretary" became vacant the employer would advertise for a secretary and if the cashier wanted a better position he would have to go outside and get one.

The employer's policy is merely to put a man into a groove and keep him there. A man who is a good cashier will be a cashier for life, if the employer has his way. Under these circumstances " get on " and " get out " are synonymous.

It is this mistaken policy which causes so much trouble over salaries, because in order to keep a really good man in a minor executive position the employer will either have to underpay him or pay him more than the job is worth.

The remedy lies in making the executive posts as flexible as possible, so that an ambitious and capable man can gradually be given additional tasks and additional assistants until he has worked his way up to his proper level in the business. This is the only sound method of giving power and responsibility to executives, because an employer can never tell just how big a man is until he has tried him out.

One qualified accountant may be able to take charge of the whole administrative side of a business and at the same time give valuable assistance to the works and selling sides, while another accountant with the same qualifications may fail to manage the ledger clerks.

MANAGEMENT IS A PROFESSION.

Management is a profession in itself, not merely a matter of superior rank, and for this reason an executive officer must be a manager as well as an expert in his own sphere of activity. Many very clever workmen, clerks and salesmen are quite unable to manage one junior assistant.

This flexibility of the executive positions solves another problem encountered in connection with executives—the problem of youth. When the executive jobs are closely defined and designated with high sounding titles, the ambitious young man is continually being penalised for his youth.

" You are too young to be chief accountant," " You must be patient and wait for a senior post to become vacant," " You cannot expect to be a departmental manager at your age."

Yet if the employer knew the young executive better he would probably find that this man did not want titles or anyone else's job, but merely wished to increase the scope of his own job and make it more important and more valuable to himself and to his employer.

EXECUTIVES' TITLES.

Titles cause many heartaches to the young executive because he often has to take over an older man's duties without getting his title, but I think that when they are given with discrimination titles have a good effect upon executives.

If by calling a capable works foreman a " departmental manager " you can make him feel a bigger man and give him a greater sense of responsibility, do so by all means. At the same time, titles should be given to men as individuals and not as holders of jobs. Don't appoint a " Chief Engineer " just for the sake of having one or because you used to have one. If your " Accountant " goes and his successor is only worthy of the title " Head Clerk," call him " Head Clerk."

When titles are given lavishly no one will strive to earn them.

NEVER APPOINT EXECUTIVES " ON TRIAL."

It is most important that an employer should have the courage of his convictions when appointing executives. They should never be appointed " on trial."

There is no fair test in giving a man an executive post on trial, because he does not behave normally, his employer does not behave normally, and, if they know of the arrangement, the staff working under the executive will not behave normally.

It will usually be found that the executive working on trial tries to bring about too many reforms in the time given him, with the result that he disorganises his section of the business, antagonises his assistants, and embarrasses his employer, who cannot very consistently discourage the man on trial from trying to " shine."

Even when new executives are assured of regular employment, there is danger of their making hasty and drastic reforms or altering the routine of their departments before they fully understand their working.

In view of this it is wise to discourage new executives from making any changes until they have held their positions for two or three months, unless of course there is urgent need for reorganisation.

It seems unnecessary to say that an employer should sustain the authority of the executives he appoints, but a large number of employers make the grave mistake of criticising their executives in front of the staff, of giving orders over the executives' heads or countermanding their orders. Such actions have the effect of discrediting the executive in the eyes of his assistants and making it impossible for him to lead or control them.

KNOW YOUR EXECUTIVES.

In dealing with individual executives the first principle is " know your men." Whan a worker begins to rise above the rank and file through sheer merit, it is time for his employer to make his close acquaintance.

The employer must show the man that he is being noticed a little more than the rank and file of workers. He can do this by openly watching the man's work and commenting pointedly but tactfully upon it.

Once an employer has decided to make a man an executive he should never let a good piece of work by that man go by without praise, or a bad piece of work go by without criticism.

In this way the executive will gradually be imbued with the principles and ambitions of his employer and he will see that an interest is being taken in him.

It is to an employer's advantage to teach his executives all he knows, in the first place because no intelligent man can use all his knowledge himself and in the second place because an employer can gain valuable experience by watching the ways in which different assistants use his knowledge.

The next step is to make the man a better, bigger man—to prepare him for responsibility and authority. This can be done by encouraging the man to study and become qualified in his particular trade or profession, and by assisting him to join associations or societies. Kindly advice and a little money invested in paying the man's fees are all that is required.

WHEN AN EXECUTIVE ACHIEVES SUCCESS.

When the man at last works his way to a responsible position the employer should try to make a friend of him. Let him take the man to lunch with him now and again, take him home or out to a dinner and theatre or a game of golf.

If the man gives him a chance the employer should go into his home and meet his parents or his wife and children.

Snobbishness prevents some employers from behaving in this way, for they feel that even their head managers are too far beneath them to be considered as friends, but I think the majority of employers suffer more from thoughtlessness than snobbishness.

A great deal is said about employers "commanding" the respect of their staff, but this is an impossibility. An employer must *earn* the respect of his staff.

After all, an employer usually devotes the greater part of his life to his business, and he does not want to surround himself with slaves, serfs or vassals.

If he is going into business as an engineer he wants to surround himself with engineers. If he is opening a butcher's shop he wants to surround himself with butchers. His need is for men who can help him to build his business, to carry it on for his benefit when he is absent or retires, and for the benefit of his heirs when he dies.

SENTIMENT IN BUSINESS.

I do not know a more untrue saying than "There is no sentiment in business" for sentiment plays a very important part in business.

If an employer wishes his employees to put their heart and soul into his business, he must put his own heart and soul into it.

No employee is too insignificant for his goodwill to be worth having.

I remember a case of a junior shop assistant who took charge of a shop when her employer and the senior assistant were called away to the army and worked herself to a wreck in bringing that business successfully through the war: another in which an elderly clerk secretly paid his life savings into his employer's banking account to meet an important cheque that would otherwise have been dishonoured: and several in which employees have given their lives in attempts to save their employers' property from fire.

A PLEA FOR HUMANE MANAGEMENT.

In conclusion, I want to point out that although the word "employer" has been used in these articles, the principles laid down do not only apply to one man businesses. Any business or professional man, director, manager, overseer or foreman can apply them to the treatment of the men working under him, and profit by so doing.

I am proud to say that I worked my own way up from the bottom of the ladder and have studied these matters from below as well as from above. I have tried out the practices suggested thoroughly and successfully in the last few stages of my own career.

In my opinion the management of men is the most important of the employer's tasks, because if he is successful in this he can profitably employ expert executives to deal with his other tasks, including buying, manufacturing, selling, financing and accounting.

Business Power

By Frank Channing Haddock, Ph.D.

This book does not presume to give instruction in the conduct of a man's business, but it does offer im suggestion in the practical psychology of business power. It demonstrates that he is endowed with as great powers as outs anding business leaders and shows him how o put faculties into use which are now simply d rmant. The author is known as one of the greatest authorities on the Human Will.

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and the

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Founded 1915. Incorporated 1921.

(Incorporating The Industrial League; The Industrial Reconstruction Council; Industrial Information and Higher Production Council.)

for the Improvement of Relations between Employers and Employed

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NOTES.

TO all our readers and members a happy New Year. May it be less trying than the year that has ended.

* * *

Few will say good-bye to 1926 with anything but a feeling of thankfulness. Their one regret at its demise will be that it has left such a legacy of problems behind it.

* * *

It had its uses, however, for all that it passes unmourned. It taught us many things we required to learn or to learn afresh. Our future depends largely upon how the lessons taught are turned to good account.

Our readers will share with all the members of the NATIONAL INDUSTRIAL ALLIANCE the hope that the New Year may usher in conditions not only of prosperity but of industrial goodwill.

* * *

The cessation of the Mining Dispute has witnessed an increased recognition in many quarters of the necessity of the investigation of industrial problems and the exploration of all avenues conducive to peace in industry. The consensus of opinion is that the essential thing is education—education in the economics of industry, on the knowledge of which depends the solution of the difficulties that are continually driving employer and employed apart.

MAN will cite what he has done in the past as a proof of what he can do in the future. The past is only something to learn from. HENRY FORD.

CONCILIATION MACHINERY.
THE COTTON TRADE.

By John W. Ogden, J.P.,
President Amalgamated Weavers.
(Member of General Council Trades Union Congress).

The cotton trade of Lancashire is affected by so many factors outside its control that it can ill afford foes "of its own household." This article is an interesting account of practical difficulties solved in a practical fashion by practical men.

IN an effort to impose a reduction of wages on the operatives employed in the spinning section of the Cotton industry in 1892 many thousands were locked out for 20 weeks. The dispute was ended by what was termed the "Brooklands Agreement," so called because it was drawn up after a protracted joint Conference at a rendezvous in Brooklands, Cheshire.

NEGOTIATE IN PEACE—NOT WAR.

That agreement marked the commencement of a new era in the relationship between the organised employers and operatives in the cotton trade. It conceded the full right of employers and workpeople to combine, and established the principle of full negotiations between the officials of both organisations in all questions affecting their interests. It provided that no industrial or general strike or lockout should take place on *any* question of difference or dispute before certain negotiations and Conferences had been observed. The main object of the agreement was to discuss and negotiate with the mills running—not with them stopped. Any strikes or lockouts that took place in defiance of the clauses in the Brooklands agreement was tabooed by both sides. As time went on the agreement was superseded by others of a like and improved character which are now known chiefly as "Joint Agreements between the Employers and Operatives Associations." It may be said the Industry is honeycombed with these joint agreements, all characterised by the same "principle," but arranged to suit the peculiarities of the different sections of the industry. They have been so finely developed that they deal with the working conditions of the mill, holidays, safety, piece and day rates of wages, and many possible changes in the working conditions of the mills.

PROCEEDURE FOR SETTLEMENT.

Briefly, the working of these joint agreements operates in the following manner:—

If a dispute, individual or general, arises at any mill the local Trade Union Secretary endeavours to adjust it by an interview with the Firm. In most cases an amicable adjustment results and nothing further is heard of the trouble. Taking the cotton industry as a whole, hundreds of such disputes are settled without the public knowing anything of them. If the Trade Union Secretary finds himself unable to arrange the trouble he sees the Employer's Secretary in the same district and they jointly make an attempt to piece matters up. Should they fail, a *local* joint meeting is held between the executives of the operatives and employers' associations.

PRACTICAL MEN—ALL.

If the "local" people fail to adjust the trouble it is then sent to a "higher count," composed of employers and trade union representatives entirely disconnected with the "local" district, and associated with the "head" organisations of the employers and operatives concerned. If these negotiations and joint conferences fail to settle (which they seldom do) each side is then at liberty to take its own course. These negotiations, of course, take some time to get through but to present unnecessary delay a time limit is fixed in the joint Rules for the various stages of development in the proceedings. It may be added that one section of the cotton industry has a proviso which stipulates that even when all the joint meetings described have failed to adjust a dispute, and a stoppage ensues, the two parties shall come together automatically at the end of a certain period to see if anything can be done further on to settle. This does away with any feeling of "dignity" standing in the way of a settlement. It only remains to be added that it is laid down in the first clause of the Joint Rules that the object is to secure the consideration and settlement of trade disputes in their early stages and thereby to preserve good feeling between employers and operatives. A salient feature of the proceedings from beginning to end is that every individual both on the employer's side and the side of the operatives is acquainted with the practical side of the industry. In other words—*they all know what they are talking about.*

High Wages.—II.

The Importance of the Empire and its Markets to the British Wage-Earner.

By W. H. WILLSON, B.Sc.(Econ.)Lond.

THE BRITISH EMPIRE AND WORLD STABILITY.

THE importance of the British Empire as a factor in stabilising world-conditions was the key-note of the opening meeting of the Imperial Conference on October 19th, 1926. Mr. Baldwin, in his address to the assembled Empire statesmen, said :

> " In a world still suffering from the shock of the War, still rent by barely concealed rifts, dissension and bitterness, the British Empire stands as one of the great stabilising elements."

Mr. Mackenzie King, the Prime Minister of Canada, stated in his speech :

> " In this historic room are gathered representatives from every continent and all the Seven Seas, owing allegiance to a common King. . . . Through this unprecedented experiment in world organisation which we call the Commonwealth or Community of British Nations, one-fourth of the world's people are linked in friendship and peace."

The trend of world opinion during the post-war period has been towards closer co-operation in world affairs and a better understanding between nations. Despite the opinion that exists in the United States, European nations (excepting Russia) are working together to-day in a better spirit than the wildest idealist would have dared to prophecy in 1918. The dislike that is shown towards the United States is not the result of envy or jealousy, but the distrust of a nation which, while voicing its desire to promote a better spirit in international relations, hampers rather than encourages efforts in that direction.

We are not generally given to national self-praise, but we can say with confidence that the British Empire has played no mean part during the post-war period in the promotion of a better international understanding.

The work of the League of Nations in the preservation of world peace is commonly recognised, but it is well to remember that the members of the League are nations with conflicting ideas and aims. This will always hamper the effectiveness of the League in world affairs, for when the considered opinion of a nation on a question affecting its sovereign powers and rights conflicts with world opinion, that nation will generally follow its own course. The value of the British group of nations as a stabilising element in world affairs can thus be realised, for in this group one-fourth of the population of the world is linked by strong ties of race and loyalty.

The primary aim of the peoples of the British Commonwealth of Nations is to develop a closer understanding and spirit of co-operation, for in that lies the future of the British race and the continuance of British influence upon the preservation of international peace. The spirit of co-operation is vital to the progress of the nations of the Empire, for the prosperity of each unit of the Empire depends to a considerable degree on the demand for its products from the rest of the Empire, and the supply by other Empire units of the goods and services it requires.

THE VALUE OF EMPIRE MARKETS TO GREAT BRITAIN.

No part of the Empire has more need for closer Empire co-operation than Great Britain. The speeches of Empire statesmen at the Imperial Conference showed that they well realised the value of the Dominion markets to Great Britain : but even more plainly they showed the necessity for grasping opportunities presented to us. With great Empire markets open to our trade and often granting favourable tariff treatment to our products, we are allowing foreign competitors to take a greater advantage than ourselves, of the constantly expanding demand for goods in those markets.

Sir Philip Cunliffe-Lister, the President of the Board of Trade, stated at the meeting on October 21 :

> " In the first half of 1926 one-third of our imports came from the Empire. In the same period nearly half of our exports went to the Empire. Both these figures include trade to and from the Irish Free State. To obtain a fair comparison with the pre-war period that trade must be excluded, but even so, the figures are hopeful and suggestive. In 1913 the Empire proportion of our imports was 24.87 per cent. In the last twelve months the proportion had risen to 31 per cent. In 1913 the Empire took about 37 per cent. of our exports; in the last twelve months the Empire took about 42 per cent."

Mr. Bruce, the Prime Minister of Australia, was not quite so appreciative of the progress

made. He went to the root of the problem when he stated :

> " Looking at the position as we can see it to-day, we still believe that the great problem of the Empire is the one which I put into three words—men, money and markets, but we believe Britain's is almost entirely a problem of markets; that if Britain can solve her problem of markets, then the difficulty she is faced with industrially and commercially to-day must disappear."

He also sounded the correct warning note when he observed :

> " The trade of the Empire shows a great increase, but even there I suggest we have to take considerable thought as to what the position in the future is going to be.
>
> " The total trade of the overseas Empire has largely increased between 1913 and 1925-26, but the increase from 37 to 44 per cent. in British exports to the Empire *does not mean that Britain has taken her full share of the increased trade of the Empire.* . . . . the exports of America (i.e., the United States) to the Empire in 1913 were £112,000,000; in 1925 they were £233,000,000. In 1913 the British Empire export was £209,000,000, and in 1925 it had gone up to £310,000,000. . . . *America increased her trade with the Empire by 108 per cent. and Britain by 48 per cent.*

Mr. Bruce's warning is only too well emphasised by the following percentage figures, taken from the Memorandum on Balance of Payments and Foreign Trade Balances, 1911-25, issued by the League of Nations.

Exports to the United Kingdom, as a percentage of total exports, from :

	1913	1925
India	23.5	22.2
British Malaya ...	28.8	13.8
Australia	44.3	42.7
New Zealand ...	78.9	79.8
South Africa ...	88.7	56.2
Canada	49.9	38.2

Imports from the United Kingdom, as a percentage of total imports, into :

	1913	1925
India	64.2	52.3
British Malaya ...	14.5	13.2
Australia	51.8	43.9
New Zealand ...	59.7	52.0
South Africa ...	56.8	50.0
Canada	21.3	17.7

THE VALUE OF IMPERIAL PREFERENCE.

We must therefore consider with great care the means to be taken to expand our trade with the overseas Empire. The value of the system of Imperial Preference both to ourselves and to the other parts of the Empire was clearly shown by Sir Philip Cunliffe-Lister and the Dominion Premiers in their speeches at meetings of the Conference. Sir Philip stated :

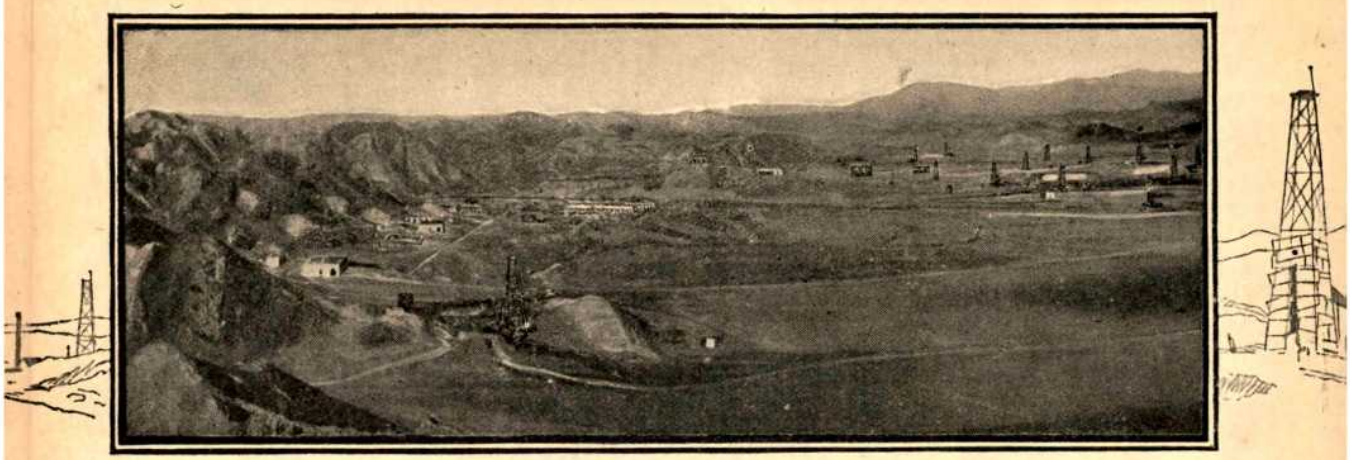
> " The combined value of preference and security is already apparent. For example, before the War the Empire supplied between 6 and 7 per cent. of our imports of sugar; in the year 1925-26 the consumption of Empire sugar was 22.5 per cent. of the total consumption of the United Kingdom. Before the War the Empire supplied only 1½ per cent. of our tobacco; the consumption of Empire-grown tobacco is now (1925-26) nearly 11 per cent. . . . Before the War our imports of raisins from the Empire were only 2½ per cent.; last year the Empire proportion was 36½ per cent. . . .
>
> " These and other examples have done much to win general approval for preference as a permanent feature in our limited tariff. And it is right that this should be so, when we remember that over £100,000,000 worth of our exports enjoy preference in different parts of the Empire."

Such facts as these convince any clear thinking man that the system of Imperial Preference should be extended as much as possible.. Political catchwords of the 19th century, such as " free trade " and " tariff reform," must be forgotten, and the question of tariffs judged solely from the points of view of benefit to Great Britain and to the Empire as a whole. The Empire can supply us with nearly all the foodstuffs and raw materials we require, and the time has come when careful consideration should be given to the best means of obtaining free trade within the Empire, preferential treatment for all Empire products, and protection against foreign competition in every Empire market.

" BRITAIN'S PROBLEM IS ALMOST ENTIRELY A PROBLEM OF MARKETS."

No better sub-heading could be found for this concluding section than the above quotation from Mr. Bruce's speech at the Imperial Conference. If we solve our problem of markets, a great step will have been taken towards finding the solution to the industrial problems at home, including the problem of raising the level of real wages.

This problem can only be solved by the closest co-operation between the governments of the Empire, and also between the Government, employers and employees in Great Britain. The establishment of a separate Empire statistical office and liason bureau would materially assist toward this end, by providing statistical information on production, prices, etc., and detailed information on market requirements and trading opportunities; and if the markets can be found, a better spirit in British industry would result in an increased national output, a greater national income, and a better standard of material welfare for the British worker.



A General View of the Famous Oilfield

Oil and Coal Fuel.—The Future.

It is often loosely remarked that "coal has had its day," the implication being that oil will supplant it. Nothing in this article must be taken as supporting that view. The writer, who is intimately associated with oil production, knows the facts of the case too well to lend countenance to the idea. Rather is there a field in which each is destined to be the natural complement of the other.—EDITOR.

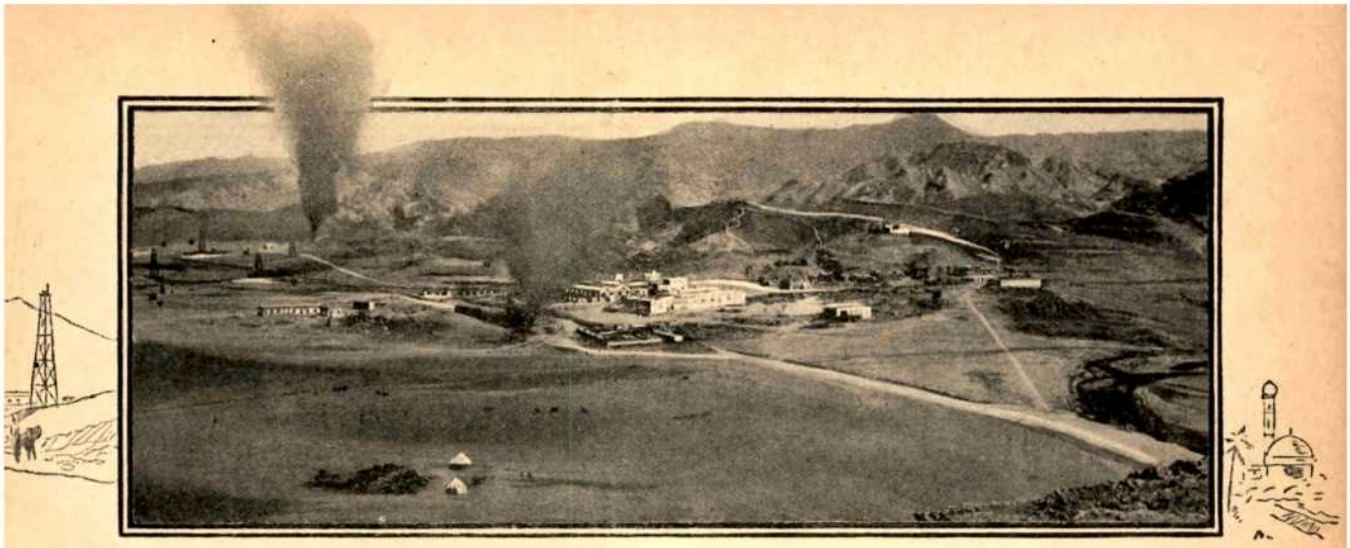
THE industrial crisis in the coal industry in 1926 has differed rather considerably from previous disputes in the coal mines, for it has not so much impressed upon people the importance of coal in our national economy as it has made them realise the practical possibilities of alternative sources of power.

The steady growth of the oil industry and the increasing use of oil fuel has been thrown into prominent relief, and it may be of interest to enquire how far this source of power has supplanted coal and to what extent it will continue to do so, if at all.

No immediate and certainly no definite answer to this question can be found. Research work into improved methods of winning and using coal and into the more scientific exploitation and development of oil bearing territory is yet in both cases at no very advanced stage and anything in the nature of prophecy would be unwise. But certain facts emerge which are pertinent to our enquiry.

The obvious and most striking fact is the extraordinary growth of World oil production during the last quarter of a century. In 1901 the World's output of Crude Oil was approximately 167 million barrels (capacity 42 U.S. gallons) of which total the United States share amounted to over one-third. In 1910 the production had grown to 328 million barrels (the United States contributing 210 millions) and in 1920 to 688 million barrels. The period from 1921—1925 is more interesting still, for it was during this time that production increased beyond all anticipation and sources of supply, other than the United States, began to make themselves felt in the World markets. The output in 1921 attained the figure of 743 million barrels and in 1925 the World's production had reached the enormous quantity of 1,035 million barrels.

Such an increase in World production and consumption is only to be accounted for by special conditions for demand. The original uses to which the products of petroleum were put were such as did not largely affect production in other and established sources of power, and certainly did not promise any unusual growth in oil consumption. For the commercial value of Crude petroleum then lay in the yield it gave of paraffin oil, lubricating oils and paraffin wax. The lighter products of distillation were discarded as being not only dangerous but useless.



of Maidau-i-Naftun (The Valley of Oil). [From Block produced by Central Process Engraving Works.

The two factors which would seem to have been mainly responsible for the rapid growth of production we have indicated were (1) the invention and development of the internal combustion engine, using the *lighter* products of distillation as a fuel, (2) the invention and development of oil burning engines, such as the Diesel engine, using the *heavier* products of distillation as a fuel.

THE INFLUENCE OF THE INTERNAL COMBUSTION ENGINE.

The threat of Oil to King Coal which became manifest with the appearance of these two factors in modern civilisation, was both direct and indirect. The development of the internal combustion engine chiefly re-acted in transport changes—the substitution of motor vehicles for horses, a development which had no effect on coal consumption. Secondarily, it witnessed the growth of the motor car as a pleasure vehicle and gradually as a means of transportation, and this development definitely threatened to curtail coal consumption in that it provided a competitor to road transport. It would be difficult to prove, but it seems a reasonable assumption to make, that the expansion of the Railways, which could normally be looked for on account of the growth of trade and increase in population, did not take place as a direct result of the competition offered by means of the internal combustion engine in road transportation. The extent to which this competition has been carried is becoming increasingly obvious, and those whose notice the tendency had hitherto escaped, could not have failed to realise the true state of affairs in this country during the General Strike. The average output of coal in Great Britain from 1909—1913 was about 269 million tons; in 1924 this had fallen to 267 and in 1925 to 244 million tons. The Report of the Royal Commission on the Coal Industry, 1925, says on p. 9 "as compared with the pre-war period, the production of British coal has remained at best stationary . . . ." It is not here urged that this unsatisfactory state of affairs is entirely due to Oil competition, but Oil has doubtless played its part.

FUEL OIL.

The effect on coal consumption of the development of oil burning engines has been more direct, and this becomes particularly apparent from a study of the comparative figures over a period of years for the bunker demand for coal fuel. The average quantity per annum before the War of coal used for bunkers by vessels engaged in the foreign trade was 19.6 million tons. This figure had dropped to 17.5 millions in 1924 and 16.2 millions in 1925. The decrease is attributable partly to a general fall in our foreign trade and partly to the use of oil, both for steam raising and for use as fuel in internal combustion engines. In 1913 the amount of fuel oil used in the United Kingdom was probably not greater than 500,000 tons for all purposes; the amount supplied to vessels engaged in the foreign trade alone in 1924 exceeded one million tons. In the pre-war period the gross tonnage of vessels registered at Lloyds as being fitted for burning oil was 1½ millions. In 1925 it had become 20½ millions.

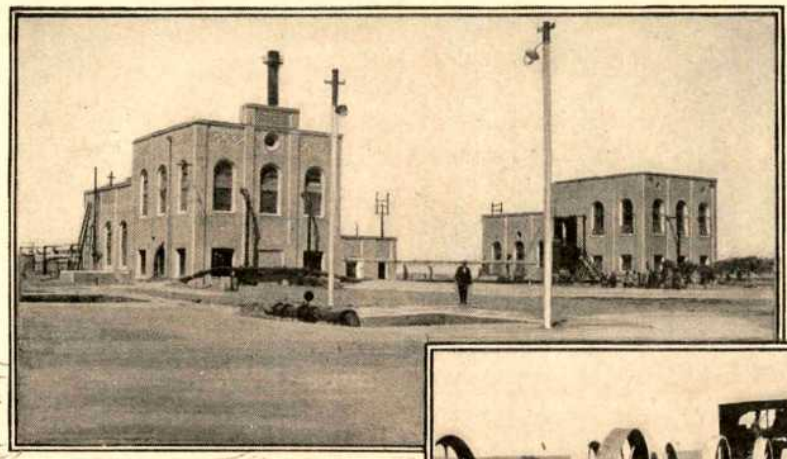
ADVANTAGES TO SHIPPING.

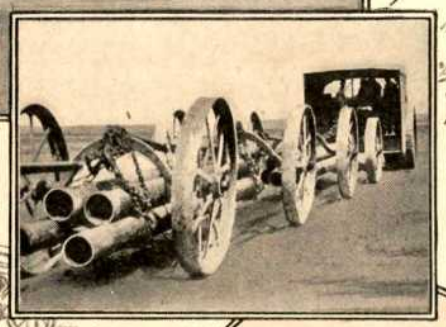
The growing popularity of oil fuel for firing ships can be largely explained by the definite advantages it possesses as compared with coal and these may be summarised as follows :—

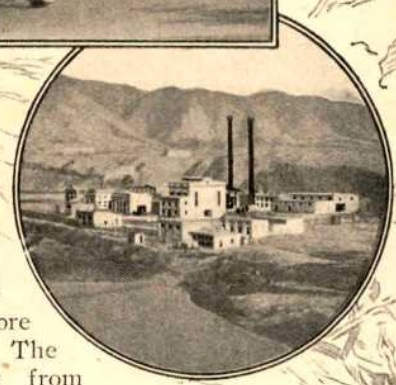
A "Boosting Station" at Mullasani.

Carrying Sections of Pipe-line across the Desert.

The Main Power and Pumping Installation at Tembi







(i) Less bunker space is required for oil (about 36 cubic feet as against 44 cubic feet per ton).

(ii) A greater heat per pound (20,000 B.T.U. for oil as compared with 14,500 for coal).

(iii) Cleanliness of oil both in working and in bunkering.

(iv) Reduced stokehold staff.

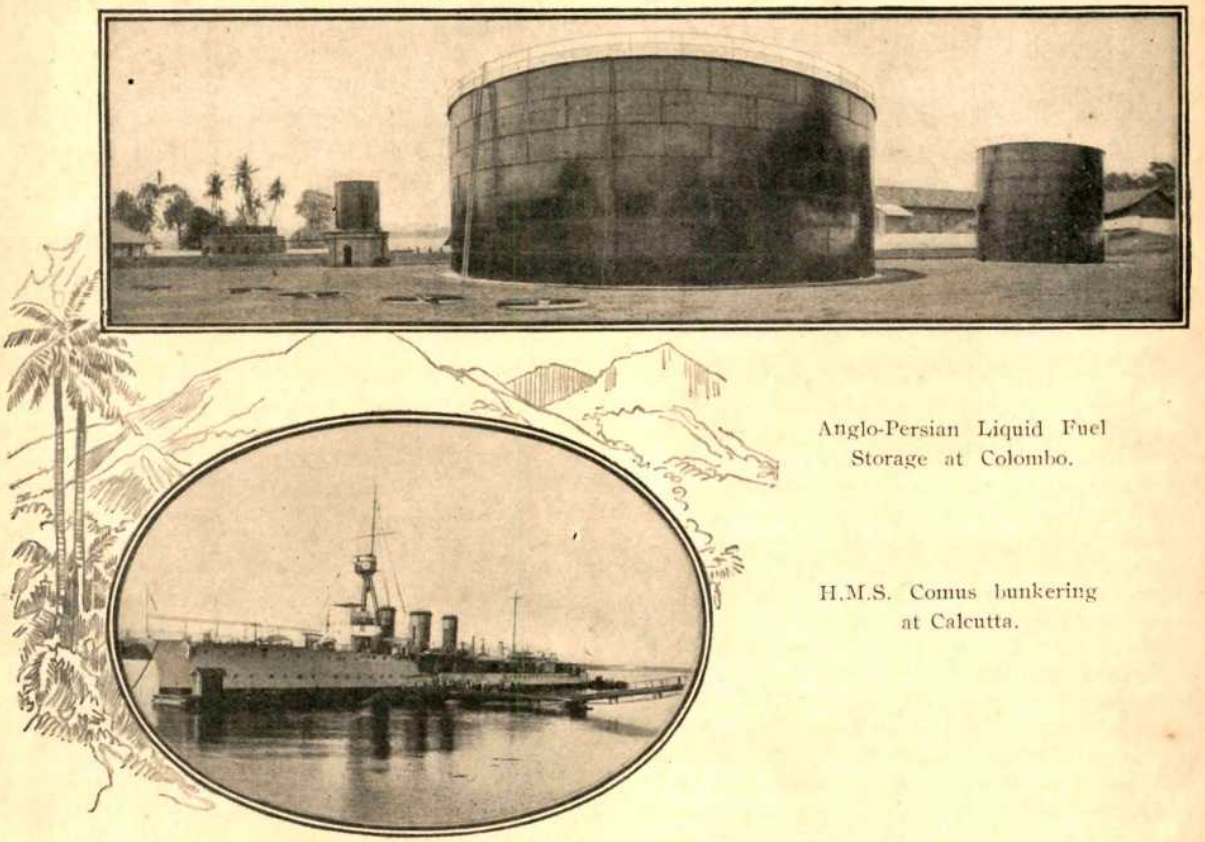
(v) Greater control of fires.

(vi) A more complete combustion is obtained with oil than with coal.

America, probably by reason of her large national resources in oil, has much more readily recognised these facts than other nations, and many interesting and pertinent observation on the advantages of oil fuel as compared with coal were made by Admiral Hilary P. Jones last year in a treatise on "Petroleum and the National Defence," which he contributed to an issue of "The United States Naval Institute Proceedings."

AMERICAN EXPERIENCE.

In America the substitution of oil fuel for coal has been demanded by commercial carriers on account of the economy of labour and more rapid turn round on voyages, made possible by this innovation, and in the case of naval vessels the reasons for the transition are even more compelling. The change over from steam to the internal combustion engine already made by commercial carriers, intimately concerns the Navy, because it vitally affects the operating problems of the fleet, rendering liquid fuel more and more a necessity in time of war. In the case of war involving an overseas campaign, the supply requirements of the United States Navy would include fully 65% of the whole deep water tonnage under the American flag, and the problem of supply would be prohibitively complicated if the transportation of two kinds of fuel should be necessary. Admiral Jones combines these facts into a persuasive argument, urging the necessity of completing the transition from coal to oil fuel and maintains that although many of the vessels of the fleet itself are steam driven, that the fuel should be liquid and raw coal as a fuel should not be countenanced.



Anglo-Persian Liquid Fuel Storage at Colombo.

H.M.S. Comus bunkering at Calcutta.

THE SHIFTING BALANCE.

The treatise is interesting as an indication that this rapid growth of the use of oil as a fuel is not a tendency to be observed in a special set of circumstances, such as those obtaining in England, but is rather of World wide significance. The significance of the process in America can best be illustrated by figures. An analysis of the supplies of fuel energy in the United States made recently by an official of the Bureau of Mines shows that, in 1913 oil and gas contributed 12.9% of the energy of fuels, in 1918 14.9% and in 1925 28½%. Production of all coal in 1925 was 14% less than in 1918, while the production of oil was 112% greater. The total production of energy rose 4% but all the increase and some of the old demand went to the competitors of coal.

EVIDENCE FROM ROYAL COMMISSION ON COAL INDUSTRY.

Returning again to our own country, the significance of the transition from coal to oil is further exemplified by the following facts extracted from the Report of the Royal Commission on the Coal Industry (1925). An important market which has been lost to our export coal trade is the South American, where the amount involved is between two and two and a half million tons annually. The decrease in exports (4.7 million tons now as against 7 or more million tons in the pre-war period) is "chiefly accounted for by the substitution of oil fuel." If further testimony is needed, we only have to recall our own experiences during the General Strike of this year and later during the Coal Stoppage. The idea that organised coal and transport labour could hold up the community was completely disproved by the realisation that petrol had become so important a factor in daily life.

(To be continued.)

The Woman in Business.

The Next Step in Retail Progress.

FUTURE OF THE CREATIVE SALES STAFF.

By Dr. E. ROBERTS.

Principal of the Imperial College of Commerce, with which is Incorporated the Women's Correspondence Schools.

RETAIL distribution has recently developed and extended, under the two influences of competition and ample opportunity, sufficiently to indicate the relative values of the different factors to be considered in increasing and maintaining sales volume.

Retail organisation in practice allows for appropriately impressive premises and general environment, and has discovered the powers of modern window and interior display, advertising and mail-order, hire-purchase, the Service Idea and similar methods showing direct and controllable effect upon sales.

While retailers have accepted these progressive efforts of the large stores as inevitable standards, even for the village shops of the near future, the parallel improvement in the selling staff is not so fully understood.

Utilisation of the human element in retail sales is inclined to be one-sided, limited to a study of the customer and the psychology of buying. "Study your customers" and "know your goods" are practical slogans that are steadily building big sales increases. But as yet it is only the wise few who add "study your sales staff."

This is no plea for shorter hours or sports grounds, but a glance at an unnecessary weakness at the vital point of retail sales.

AN UNDEVELOPED FACTOR.

In comparison with the other factors, maximum efficiency of the individual saleswoman is not being generally developed as quickly thoroughly, or as definitely as an examination of the full possibilities shows to be justified. Consider any sale taking place.

The accumulated effort of a thousand channels of business, the united power of manufacturer and distributor at last bring together the prospective customer, the goods and the saleswoman. All that force directed to bring about this meeting requires for its fulfilment, its full benefit, that the one saleswoman shall not lose the sale, shall not get half the possible sale, shall not miss the opportunity to make a satisfied customer, shall not fail to produce goodwill. And all this under conditions without possibility of rigid managerial control—a customer and a saleswoman—infinitely varying bundles of human nature.

Every retailer is familiar with the things that do go wrong at this point of sale, the endless little-more and little-less that lose sales and customers—the unhappy side of the day's transactions.

THE SOURCE OF FUTURE PROGRESS.

The average retail manager would rejoice at the results accruing from an *absence* of the recorded or observed mistakes, faults and errors of his sales staff. Further than that, such as the more positive effects to be derived from a staff of properly aggressive—or it is clearer to say—creative saleswomen, our friend the average manager would probably consider too ambitious or even impractical under present limitations.

Yet in this suggested development of sales staffs to possess the immediate creative force of a mail order advertisement, lies the most profitable sources of future progress in the field of distribution.

One does not need to be excessively middle-aged to remember the days when ignorance and servility connoted the shop assistant—the present standards of civility and education are all the more pleasant for the memory. But although the abuses of Victorian times have been swept away and the retail saleswoman raised to a status consistent with a decent self-respect, not nearly enough is expected from the saleswoman's personal contact with the customer. In a word, the time has arrived for a commercially higher and more productive type of sales staff.

TRACING RESULTS.

The first evidence of this evolution of the specialist saleswoman is traced in the confidence felt by customers in dealing with the staff. The ultimate effect will be found in the customer's respect for the authority of the saleswoman. *Authority*! Why not?

The saleswoman deals directly and personally with the public. The retailer satisfies

public needs of his particular services. So do solicitors, doctors, dentists, and a number of highly authoritative and respected professions to whom the general public go for professional service.

But the difference is not to be overcome by calling salesmanship a profession.

In fact, trades become professions only when science and accumulated trade knowledge combine to demand so high a standard of education, intelligence and sincerity that the right type of man is alone attracted to make his career in the occupation in which his entry itself justifies the status of a profession.

It may be some time before selling attains that state, to which there is no doubt all other intelligent occupations will eventually reach, but the idea suggests the direction of future staff education.

A sales staff to whom customers confidently came as to a solicitor for advice would show some startling sales and repeat figures.

THE IMMEDIATE QUESTION.

In the meanwhile, with the year's work before us all, what positive virtues of the sales staff can be developed to show a greater turnover and resist the loss of customers due to effective competitive advertising?

The question answers itself (a) general education, (b) understanding of the buying motives and customer psychology, (c) specialised knowledge from origin to use of the goods to be sold, which is only to be secured by (d) vocational interest and enthusiasm, and (e) an absolute grasp of the reasons and effects of the service idea.

These are characteristics of a creative sales force, the things that continually cause sales, that sell the whole quantity possible, that create the necessary "satisfied feeling" in the customer and bring them back for more. The right goods and sound backing cannot do this alone, only service can build business like that, and service can only be expressed and felt with maximum result at the point of contact with the customer—the personal responsibility of the saleswoman.

The virtues enumerated represent, in practical terms (a) stronger character in the sales staff, (b) the definite ability to influence, convince and achieve "sympathy" with the customer, (c) capacity to justify customers' confidence and ability to advise effectively, (d) a vital keenness and enthusiasm in work for its own sake as the means to the woman's desired career, and (e) harmony between employer and staff, a working together for an understood common end.

Who would deny that a staff with these attributes would directly increase daily sales and hold the casual customer?

Given the right material in the saleswoman, the remainder is simply a matter of technical education. Saleswomen need knowledge and method in their craft as much as any other specialised worker.

How this technical training of sales personnel can be of value to retailers will be dealt with in succeeding articles.

Careers for Shorthand Typists.

WE have pleasure in announcing that next month we shall commence the publication of a new series of articles specially addressed to readers of the "Women in Business." These articles, which will appear under the title of "The Shorthand Typist—and After," will discuss those possibilities of advancement in the business world which are open to the efficient typist. Unfortunately, the hoary fallacy, "Once a shorthand-typist always a shorthand-typist" still persists, and continues to have a crippling effect upon the ambitions of promising business girls who, otherwise, might reasonably expect to progress to the many positions of greater responsibility now open to able women workers.

Every business girl should remember that she is no longer on sufferance. Women have abundantly justified themselves in business, and there is now scarcely any position on the commercial and administrative side which is beyond their attainment.

It is not long since Sir Charles Higham roundly asserted that women were on the whole more reliable than men, and gave greater satisfaction in responsible executive positions

Prejudice, however, dies hard, though the steady advance of women to a status of practical equality with men in the business field continues unchecked. In London alone there are a great many examples of successful women directors, from Lady Rhondda downwards, who have the control of important enterprises in their hands, or who share it on equal terms with men.

In the Government service, in teaching, journalism, advertising, accountancy, salesmanship, and many other professions, women are doing brilliant work which compares favourably with any performed by the alleged stronger sex.

Many of these women have graduated from relatively humble positions as shorthand-typists, and it will be the object of our new series to show that this position, far from being the cul de sac it is commonly supposed to be, offers on the whole greater opportunities to women for advancement to a business career of distinction than any other.

The "B.O.M." International Service.

A service of practical value to Manufacturers and Exporters seeking new markets for their goods, buyers or agents, and to Importers seeking foreign lines to handle on their own account, or on an agency basis.

Specially written for "Business Organisation and Management"

By C. W. FRERK, V.D.R., M.I.E.S.,

Editor and Manager of "The International Economic Magazine," Delegate for the British Empire of "The International Economic Society," "V.D.R." Association of Advertising Men, etc.

EDITORIAL NOTICE.—This Service will prove to be worth many times the subscription price of this Magazine.—The Service is FREE to all B.O.M. subscribers and advertisers, to whom the addresses to the enquiries will be supplied and queries answered without charge. Non-subscribers are asked to send 2/6 for the complete address "key"

Whilst every care is taken that only enquiries from bona fide buyers or manufacturers are published, the Publishers and the Editor cannot be held responsible for any discrepancies arising out of dealings with the firms whose enquiries are published.

British Manufacturers and Exporters seeking buyers or agents for their goods in foreign countries, and British Importers seeking connections with foreign manufacturers or exporters, are asked to apply for the B.O.M. Service Form 1, stating whether exporter or importer.

Please do not forget to enclose stamped envelope when writing.

ALL COMMUNICATIONS TO BE ADDRESSED TO: The Business Organisation Ltd International Service, Granville Chambers, Bury Street, Bloomsbury, London, W.C. 1.

THE Editor of your Magazine, who has invited me to contribute the "B.O.M." International Service Section, has written so fully on the aims and objects of the "International Economic Magazine," and the "International Economic Society," on another page of the present issue, that I need not refer to the services offered and rendered by these two organisations. One point only needs emphasis. The same services are extended to the readers of "Business Organisation and Management," and I want the readers of B.O.M. to avail themselves at once of these services, testing their value, and to prove how extremely important and invaluable this marketing intelligence is to British Industry.

OPTIMISM AND PRACTICAL SELF HELP.

There is no need for pessimism in British industrial and commercial life, but there is an urgent need for a complete overhaul and re-organisation of British export-marketing methods — The necessity to investigate the marketing possibilities; to analyse the requirements and peculiarities of foreign markets, and to adjust the sales and marketing efforts accordingly, has been grossly neglected by British manufacturers and exporters, during the past years The importance of market research has been underestimated, and the consequence has been that British marketing methods as employed in foreign markets have stayed behind the progress made in commercial and industrial life all over the world, and the vital economic changes in most foreign markets have been ignored, whereas other countries, Germany in particular, have studied these changes in marketing requirements; they have succeeded in adjusting themselves to actual post-war conditions and tendencies, thereby obtaining orders where British manufacturers fail to do so.

ELEMENTS OF SUCCESS.

It won't do to go on moaning, and complaining of "unfair competition" on the part of certain foreign industries. That competition may be unfair in some instances, but is not always so. The success of foreign industries is quite frequently due to their better understanding and their comprehensive knowledge of conditions and requirements in foreign markets, where they successfully market their products.

We, in Great Britain, must try to realise and admit this, then go ahead, and do likewise BRITISH GOODS ARE GOOD We know it, and most foreign countries, also our competitors, know it. But sentiment does not count in international business. It is not enough to say "British Goods are best." It would, in a way, be better to be able to say that British marketing methods are best. I know of many instances

where inferior foreign goods were bought, simply because the foreign manufacturer made it easy for the importer to place his orders. The catalogues and price-lists were in the importer's language; prices were quoted free delivered to the importer's premises; the articles were wrapped and packed according to the importer's instructions; in short, everything was done by that foreign manufacturer to please the importer, and to make up the goods in exactly the way the importer wanted, though it may have been entirely different from the manufacturer's stock-packing.

WHAT HAPPENS TO CATALOGUES.

I know many foreign houses who daily receive large numbers of catalogues and offers from England, Germany, France, and other countries. What do they do? They first sort this mail and retain those catalogues and lists, which are written in their language, and they then look through these, and select the goods which interest them. Those catalogues which are printed in another language, wander into the waste-paper basket, although they may have contained some information of particular interest to the importer. Many of these catalogues I noticed were from British houses, and I have seen some wonderfully produced catalogues which were thus discarded. It was pitiful to see it, yet, it is so easy to alter these conditions.

No Englishman will buy an article that does not suit his requirements, or which is not presented in a style that pleases him; why then should we expect our overseas clients to accept what we chose to offer them, instead of what they require, what appeals to them, what is customary in their country.

Let us all make that one New Year resolution —to start at once pleasing our foreigin and overseas friends; to try and understand their requirements, comply with their individual wishes. If we make it easy for them to sell British goods, they will buy, and then, when they find that not only our methods have improved, but that also the quality of our goods is irreproachable, there will be no end to further developments.

ISOLATION—PESSIMISM—PREJUDICE

Let us get together and study these peculiarities and special requirements of the various foreign markets; let us get out of our isolation. We must drop both pessimism and prejudice. We must think internationally, and co-operate internationally. If we have no confidence in our competitors, we cannot expect them to confide in us. After all, our most successful competitors are also among our best clients. If we constantly attack them, accuse them of unfair competition, simply because they are successful where we are not, what do we achieve? Nothing. There is plenty of space and opportunity for everyone, and there is no earthly reason to believe that German goods are bought because they are German, or British goods because we say in our marketing campaigns that "British Goods Are Best." The overseas importers buy where they know they are well served, and where their individual wishes are complied with.

PRACTICAL VALUE.

The B.O.M. International Service will serve practical purposes, and will further British export trade. The more our readers co-operate, the better the service we can give. But I will make it quite clear now that the political aspect is definitely excluded from these columns, because I believe that there is nothing more calculated to upset commercial progress than the introduction of politics and political prejudice into business. The relations between the various countries are decidedly reciprocative, and if the British manufacturers wish to extend their foreign relations, they must by all means aim at International Co-operation, and thereby create goodwill, not only among customers, but also among competitors.

On account of the short notice I have had to compile the first instalment of the B.O. Service, the following service and news items shall only indicate the nature of the services it is proposed to render, and not the extent of such services. In the next issue of "Business Organisation" a larger number of "Enquiries for British Goods from Abroad" will be published, also a greater variety of useful marketing hints. I hope to write fully about export-marketing methods and overseas market research, and investigation into local marketing conditions, peculiarities and special requirements, to which I have referred in this introduction.

Whenever you come across some complicated export marketing problem, with which you are unable to deal adequately yourself, do not fail to write confidently to the B.O. Service Dept., and I assure you that your problems will have personal and most careful attention.

ENQUIRIES FROM ABROAD.

MOTORS, CYCLES, etc., AND ACCESSORIES.

Enquirer's Key No

(1) **Austria.**—General agency wanted for motor-cycles and bicycles.

(2) **Belgium.**—Wishes to get in touch with manufacturers of block-motors for motor-cars (4 cylinder 540 cm. 3 Maximum) correspondence in French only.

(3) **Poland.**—Seeks connection with manufacturers of bicycles and cycle-parts, bells, accessories,, etc

CHEMICALS, DRUGS, PHARMACEUTICALS, etc.

Key No Enquirer's

(4) **India.**—Interested in varnishes, polishing materials, dyes, etc.

(5) **Greece.**—Seeks agency for chemical products, pharmaceutical preparations, etc. Corresp. French.

ELECTRO-TECHNICAL ARTICLES

(6) **Australia** —Interested in electric novelties.
(7) **Denmark.**—Wishes to represent first-class houses manufacturing wireless apparatus and accessories
(8) **India.**—Parts and accessories for telephone-installations.
(9) **Algeria.**—Open to represent manufacturers of electrical appliances and fittings.

LEATHER, LEATHER GOODS, etc.

(10) **Czecho-Slovakia.**—Seeks connection with manufacturers of artificial leather, leather-cloth, leather papers.
(11) **India.**—Anxious to import fancy leather goods, medium class.
(12) **Brit Guiana.**—Open to buy boots, shoes, artificial leather, ladies' handbags, shoe polishes, shoelaces, etc.

OPTICAL AND PHOTOGRAPHIC GOODS.

(13) **Egypt.**—Buyer of photographic articles, thermometers.
(14) **Greece.**—Open to buy eye-glasses, binoculars, field-glasses, etc. Corresp. French.

PAPER INDUSTRY, STATIONERY.

(15) **U.S.A.**—Wishes to represent manufacturers of photographic papers.
(16) **Valletta.**—Connection wanted with manufacturers of art printing paper, and paper for school copy books.
(17) **Panama.**—Printing papers, wrapping papers, writing papers, envelopes, etc.
(18) **North Africa.**—Envelopes and all kinds of writing papers; cardboard boxes for various industries. Corresp. French.
(19) **Manchuria (China).**—Coloured picture-sheets for covering chocolate and confectionery boxes.
(20) **India.**—Stationery goods wanted.
(21) **Italy.**—Open to represent manufacturers of steel pens, fountain pen nibs, and other stationery lines Corresp. French or Italian.
(22) **Germany.**—Anxious to represent British paper makers.
(23) **Germany.**—Anxious to represent manufacturers of blotting paper.

STEEL, IRON, METAL GOODS, CUTLERY, etc.

(24) **India.**—Pocket knives and scissors.
(25) **Panama.**—Key chains and key rings.
(26) **Hungary.**—Seeking agencies for cutlery, small iron goods, tools, etc.
(26) **Holland.**—Agency wanted for Holland and Dutch Colonies for cutlery, razor blades, razors, etc
(27) **Italy.**—First-class agencies for British tools, hardware (butts, locks), household and kitchen goods. Corresp. Italian.

GENERAL.

(28) **Latvia.**—Agencies on commission basis for first-class British houses exporting coal products, coal-tar, chemicals, spice, produce, etc.
(29) **Latvia.**—Agency wanted for first-class British sheet-iron and tin-plate, on commission basis.

MARKETING HINTS.

ENGLISH AGRICULTURAL PUBLICITY FILMS FOR LATVIA.

Some time ago, the Y.M.C.A had in Riga a depôt of American agricultural films, which were demonstrated before farmers and other interested circles, and awakened great interest. English speaking Latvian experts translated the sub-titles into Latvian. This successful beginning was followed by a demonstration of French publicity films with Latvian texts, dealing with dairying, cattle and horse breeding in France. These films were subsequently returned. At present, there is an opportunity to display British agricultural films for the edification of local circles. Films portraying the development of poultry farming, pig and horse breeding in England, and the use of modern British agricultural machinery and implements would meet with genuine interest in Latvia. The films could be demonstrated by local farmers' societies, or by the Agricultural department, and would help to make England and English agricultural machinery and appliances better known among Latvian farmers. After a time these films could be returned to England. Is it not possible to make such an arrangement?

MARKETING INFORMATION ABOUT GERMANY, AUSTRIA AND CZECHO-SLOVAKIA

The " Ring-Gruppierung Deutscher Provinzverläge," a service-combine of the German Provincial Newspapers, is making preparations to open a Service Bureau in London, early this year. This Bureau will give marketing-information and market-data to all British firms interested in the German, Austrian and Czecho-Slovakian markets; it is also proposed to issue a monthly Bulletin of Continental Advertising and Marketing Facts, which will contain analyses and statistics relating to the three countries mentioned.

GERMANS AND FRENCH HOLDING THE TURKISH MARKET.

With the rapid progress made in modernising Turkey, the demand for every kind of machinery, vehicles, raw materials, and in fact, all manufactured goods is increasing by leaps and bounds. The Germans were the first to take advantage of these opportunities, and the French were not long in following them. To-day, they hold the Turkish market practically exclusively between them, and they share large contracts for railway and tramway construction, supplies of motor-buses and lorries, textile machinery, tanning and leather-working machinery, all household and fancy goods, in short, everything that a progressive country requires, which is a great deal in present-day Turkey, where but very little home industry exists.

The Turkish press is not so well developed as the European Press, and a trade directory is considered as the most reliable and valuable reference book, by all progressive Turkish business men. Turkey has one really reliable Trade Directory, the " Annuaire Oriental—Oriental Directory," which covers Turkey, and the entire Near

East. It is patronised by all foreign Chambers of Commerce at Constantinople.

The German and French manufacturers are using this directory extensively, but there is not a single British advertisement in the whole book. No wonder business goes to Germany and France, whereas England could have a good share in this very potential market of Turkey.

The "Annuaire Oriental" may be consulted at the Office of the "International Economic Magazine."

CIRCULATION FIGURES OF JAPANESE NEWSPAPERS.

"Tokio Asahi" / "Osaka Asahi"	1,250,000 daily.
"Tokio Nichinichi" / "Osaka Mainichi"	750,000 daily.
"Jiji" (Tokio)	300,000 daily.
"Hochi" (Tokio)	700,000 daily.
"Chuo-Shimbun" (Tokio)	400,000 daily.
"Kokumin" (Tokio)	350,000 daily.

A SOUTH AFRICAN MAILING LIST.

H.M. Trade Commissioner of Johannesburg announces that the names of 90,000 farmers in the Union of South Africa have been compiled and will soon be published.

The publication will include practically all the farmers of the Union and will be a complete Farm Directory. It will be published in four volumes, each devoted to a separate Province. These books should be very valuable to British Exporters and Merchants who wish to develop business in South Africa.

CATALOGUES FOR THE SOUTH AMERICAN REPUBLIC OF CHILE.

Chilean importers complain that a large number of British exporting houses are sending catalogues without fixed prices. They are thereby at disadvantage against other countries, Germany in particular, as catalogues from that country always show the prices, and enable the importer to calculate his cost right away, without wasting time by further correspondence.

There is another disadvantage, which is well worth noting. Catalogues without prices come under Pos. 1123 of the Chilean Customs Tariff, and are consequently classed as "Propaganda Material," and are as such liable to 1.50 Gold Pesos per kilo import duty. As the agents and importers frequently refuse to pay this duty, large quantities of catalogues remain in the customs warehouses, and are subsequently auctioned as waste paper. The large quantities thus disposed of at intervals show clearly how many firms ignore this regulation.

THE PURCHASING POWER OF FOREIGN MARKETS.

To be able to judge the prospects of a certain product in overseas markets, it is of vital importance to know the purchasing power of the population of the importing country. This will enable the exporter to find out whether his article is suitable for the particular market (countries with a low purchasing power do not import large quantities of first-class quality goods.) The exporter will save much time and work in making this study beforehand. The following table gives the purchasing-power in various overseas markets, per capita of the population.

Argentina	s 420	Egypt	s 130
Mexico	s 147	India	s 45
Venezuela	s 109	Philippine Isl.	s 93
China	s 32	Australia	s 515
New Zealand	s 480	U.S.A.	s 410
Chile	s 187	Brazil	s 136
South Africa	s 215	East Africa	s 63

SOLICITING INQUIRIES FROM PROSPECTIVE FOREIGN BUYERS.

The B.O.M. International Service Bureau is prepared to distribute British manufacturers' business cards among prospective foreign buyers.

We would like to make a suggestion which in other directions has proved to be a business-getting idea. It refers to the size and make-up of the business card which we are willing to circularise abroad.

We need hardly emphasize the fact that these cards should be printed in the language of the country in which they are to be distributed. Unless the manufacturer chooses to print many details and particulars on this card, it should be possible to print the message in two, and perhaps even three languages on the same card.

With regard to the size, we have always found that the daily mail brings innumerable leaflets, pamphlets, cards, etc., in all sizes and shapes, which make it rather difficult to file them properly for quick reference. Yet, they often contain such valuable information, addresses, etc., which is required for constant reference.

Who can possibly keep in mind all the addresses of suppliers, transport agents, fairs and and exhibition committees, information bureaux, advertising agents, printers, block makers, etc.? Yet, if we file their circulars away with the correspondence, they will be out of sight, and when we require to know the addresses, cannot find them.

A card-index is always a useful device for such purposes. Therefore, manufacturers should have their message to prospective foreign buyers printed on a 6in. x 4in. card, similar to the specimen printed below. This will enable the recipient to file the card for future reference, should he not require to buy or communicate at the time he receives the message. The wording of the text can, of course, be different in each individual

case, and the suggestion only refers to the general arrangement of the text and the size of the card

Readers will see easily how valuable such a card index will be to buyers abroad, who can classify these cards alphabetically by manufacturers, or by the goods they have to offer. Each time a foreign buyer wishes to get in touch with manufacturers of a certain class of goods, he can look up his card-index, and there he will immediately find the names and addresses, cable addresses, and other valuable particulars of the manufacturers he should approach.

What a boon it would be to advertising agents to receive publishers' rate cards in a uniform size, so that they could be filed for immediate reference.

Foreign buyers often transfer leaflets and pamphlets they receive to the waste-paper basket, simply because at the time they are not interested in the goods or services offered. Had all these leaflets been in a uniform size, they would probably have been filed.

Make it easy for your prospective clients abroad to find your name and address, when they need you. You will find that, by doing so, orders will reach you which, in the ordinary course of events, would go to your competitor, whose name and address happened to be on the desk the day orders are placed.

Will manufacturers, who want us to distribute a number of their cards among foreign prospective buyers, and who would have their cards printed in the manner described above, communicate with us, and apply for Service Form B.O.M. 1.

BUSINESS OPPORTUNITIES IN LATVIA.

The Nuremberg Delegate is also Consul for the Republic of Latvia He informs us that there is an increasing demand for British goods in Latvia, particularly for tin, iron, steel, tools and general metal goods. Manufacturers who seek connections with Latvia should apply for Service Form B.O.M. 1, stating reference "Latvia"

AGENTS IN HUNGARY.

Manufacturers who seek reliable representatives in Hungary, should get in touch with the Association of Hungarian Travellers, Budapest VI., Gyar Utca 4, mentioning the "International Economic Society."

Specimen 6" × 4" Card for distribution among prospective foreign buyers or agents, with message in two languages.

Duplicators Stencils Inks and other Duplicating Accessories.

LONDON, W.C.2.
333, KINGSWAY.
Tel. Address: Duplico, London

THE BRITISH DUPLICATOR SUPPLY CO., LIMITED.

Please insert this card under "Suppliers of Office Equipment" in your card-index.*

ACTUAL MANUFACTURERS OF:—**ROTARY and FLAT DUPLICATORS,** and all duplicating accessories, **INDESTRUCTIBLE AND WAX STENCILS, INKS, COMPOSITIONS, Etc.,** in best quality.

[TRADE MARK]

We wish to get in touch with responsible importers and distributors, abroad, who could handle our lines, either on their own account, or on an agency basis.

Please write and state your requirements.

WIR SIND SELBSTERZEUGER VON:—**ROTIERENDEN und FLACHEN VERVIELFÄLTIGERN,** sowie samtl. Zubehör, wie **DAUER- UND WACHSMATRIZEN, FARBEN, MASSEN,** usw. in bester Qualität.

[TRADE MARK]

Wir suchen Verbindung mit zuverlässigen Importeuren und Vertriebsfirmen, die unsere Erzeugnisse entweder auf eigne Rechnung oder auch vertretungsweise absetzen können.

Nennen Sie uns bitte Ihre Sonderwünsche.

Wir bitten, diese Karte hinter "Bürobedarf-Lieferanten" in Ihre Lieferanten-Kartei einzureihen.*

Furnishing the Business Offices.

The introductory article of a series dealing exhaustively with the requirements of business offices in the light of the most modern experience.—EDITOR.

OF the many things that contribute to the efficiency or non-efficiency of a business, the furnishing and decoration of the offices is probably the most neglected. It is not at all uncommon to find firms who pay their staff well, install the most modern office machinery and adopt highly efficient business systems, yet whose offices are furnished and decorated in a style that is little short of slovenly.

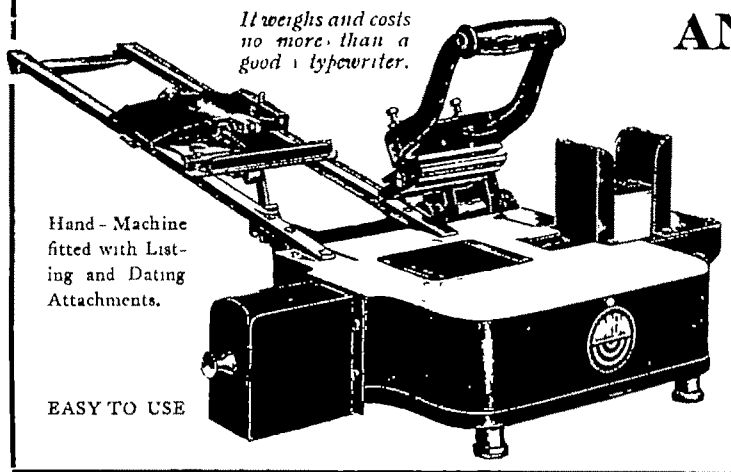
It is not always that the tables and chairs and other items are of various styles and in varying stages of collapse, although I have seen otherwise efficiently equipped offices where the typists had to pile books and papers on their chairs to make them high enough for the totally unsuitable tables at which they had to work—offices where there was hardly a table that had not one leg propped up and where files and papers were accumulated in dusty disorder on makeshift shelves and in rough boxes. It is not always, I repeat, that the office furniture is inefficient simply because it is old and worn. Many an office, newly furnished and decorated, still fails of its chief object: the provision of a pleasing, work-conducive environment in which the employes will work well because they feel like work.

Red carpets and yellow wooden partitions, shiny with varnish are common errors. Light yellowish furniture is another. These are errors that are unfortunately promoted in all innocence by the very firms to which the business man goes for guidance in the furnishing of his offices. Red carpets and light yellow furniture are almost a tradition in the office furnishing trade, although the reason is by no means apparent. Red is too stimulating a colour for an office except when it is used in very small quantities, as for instance in pictures. Light coloured shiny woodwork too is a mistake because it tires the eye and obtrudes itself upon the notice. It jars upon the nerves.

The notion that light coloured furniture makes an office light is not without some measure of truth, but it must not be forgotten that there are different kinds of light. The kind of light wanted in an office is the softly diffused radiance given by indirect illumination, whether from electric lamps properly shaded or from the sun entering the room at an angle. Light coloured and shiny

THIS machine will address Envelopes, Labels, Wrappers, Statements, Dividend Warrants, etc., at the rate of 1,000 per hour, and will make up Wages Lists, Dividend Lists or any kind of list at 20 times the speed of a typist. It is the greatest time and labour saving factor ever known to modern office efficiency.

It weighs and costs no more than a good typewriter.



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CONTRACTORS TO H.M. GOVERNMENT.

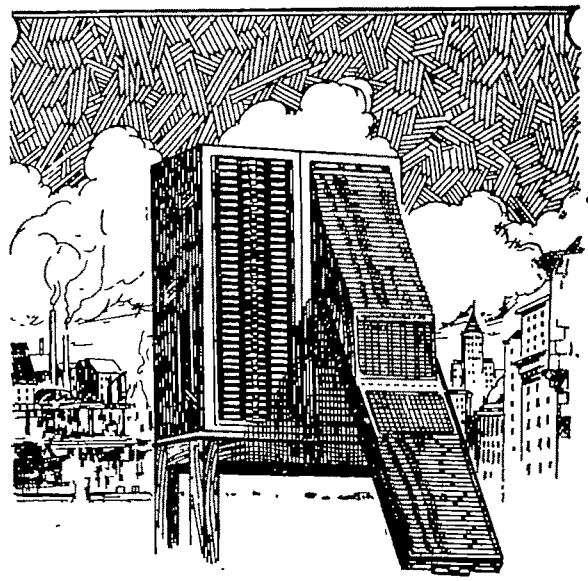
furniture does not help to amplify this kind of light. It merely turns the light into a hard glare. And glare is one of the things that must be avoided in the office for it is tiring and hostile to concentration.

The chief essentials of the well furnished office may be classified as follows :

1. A harmonious scheme of subdued colours for walls, floors and furniture, with just sufficient bright colour to make the room cheerful.
2. The elimination of distracting elements, such as glare, unpleasant noise and inconvenient furniture or arrangement of furniture.
3. Ample and properly arranged lighting, both natural and artificial.
4. Comfortable seating and suitable furniture for each particular job.
5. Recognition of personal tastes as far as possible in the matter of equipment of individual desks and offices.

This last item may seem unimportant, but it must be realised that different people have different ideas of comfort and different methods of working. One man may prefer to have a roll top desk where he can have all his papers pigeon holed in front of him. Another man will find the high roll top oppressive and will prefer the flat type of desk. There is no possible advantage to be gained by ignoring these personal likes. On the contrary employes will always be found to work better and more willingly when they are allowed some say in the choice of their office equipment.

The argument is often advanced by firms whose offices are not what they should be that the cost of adequate furnishing is too high. That the firm cannot afford to pay good wages and spend a lot on office equipment, and that it is considered better to spend money on wages than on furniture. This is sound and it would be an unanswerable argument were it not for the fact that cost need not form an insurmountable obstacle. It need cost no more to have a suite of offices furnished and decorated in a style that will make the staff feel like working well than it costs to allow a mixed collection of inconvenient furniture to accumulate with little regard to efficient arrangement, in poorly lit and ill decorated rooms. It costs no more to have the walls painted one colour than another. It costs no more to have dark furniture than it costs to have light furniture. Very often the properly furnished office costs less than the badly equipped one for the simple reason that there is no need to be continually moving things about, scrapping one thing and buying something else in its place. In the few instances when a slight extra expenditure becomes necessary it will be found that the extra cost more than justifies itself.



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DO YOU know from day to day exactly how your business progresses . . . and why? Without search or staff questioning, can YOU turn up at any moment, the facts that matter? *Is your finger on the pulse?*

Or are you working in the shadows, with old style methods where all the really vital facts are buried or overwhelmed in routine?

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is the modern visible record system. All over the country—all over the world—enterprising businesses have installed KARDEX, with remarkable increases in efficiency. Nearly all profits and high wages and low costs depend upon reducing hours to minutes KARDEX enables YOU to reduce hours to minutes and inspires your staff to do likewise. KARDEX can solve every problem of business recording. Apply KARDEX to your business and *move* with the times!

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A Triumph of Modern Science

How Sir Henry Lunn wrote his wonderful story "Round the World with a Dictaphone"

CALCUTTA UNIV. Acc. No. Book No. LIBRARY.

By THOMAS DIXON

ONLY too often the book of travels degenerates into a mere guide—a dull compendium of things seen and heard and half forgotten. The writer may have looked upon his subject with eyes of sympathy and appreciation; he may possess the literary ability to clothe his impressions in graceful and appropriate language. Were he able to record his thoughts while they were still fresh in his mind, he would probably produce something that would be vivid and arresting and essentially alive.

Rarely, however, is this possible, especially on a long journey, and few literary tourists possess the magical gift of so retaining vivid impressions that, writing months afterwards they can make a scene truly live before our eyes. Impressions are blunted by the passing of time, many items of interest slip from the memory, many good things heard and seen are inevitably forgotten. And the result, save in the most exceptional cases and the most gifted writers, is usually dull; it may be informative, but it is only too often very hard reading.

INFORMATION RED HOT.

To write a travel narrative day by day, when every impression is fresh and vivid, is almost impossible: the most that can usually be attempted in this way is a series of hurried and incomplete notes at irregular intervals. When, perhaps six months later, the book is taken in hand, the task of clothing the dry bones in living, palpitating flesh has become well nigh hopeless.

Sir Henry Lunn, most experienced of travellers, in his remarkable book, "Round the World with a Dictaphone" (Benn, 10s. 6d.), has succeeded where so many other travellers have failed. His book has a spontaneity and charm of rare quality: every page seems to live and breathe and move. Every line conveys the impression that here you have information red hot and at first hand, that the incidents with which it is packed were described while the scene was fresh and vivid in the mind of the narrator.

THE SECRET.

And that, in fact, was the case. Despite the difficulties of a long and laborious tour—he was out to preach the gospel of the League of Nations throughout the English-speaking world—Sir Henry was able, so to speak, to write his book as he went along. That alone is the explanation of its vivid freshness. You get very markedly the impression—invaluable in any book of travel—that the author is telling you to-day of the things he has just seen: that while he is writing his recollection is as keen and fresh as though he had only just turned away from the scene of which he is telling you.

Sir Henry Lunn makes no secret of the method by which this result was attained. He says in the preface to his book:—

SIR HENRY LUNN,
M.A., M.D., B.Ch., Trin. Coll., Dublin.

It has been my custom for many years to record a diary on the Dictaphone for the members of my family. During my journey round the world, through the courtesy of the Dictaphone Corporation, who installed machines in the hotels of the principal cities I visited, I was enabled to continue this practice and the following volume is the result. The chapter entitled "The Myth of the Millions" was written after my return, but otherwise, excepting for correction and deletion, the diary is practically as recorded by me during my journey.

Thus we see Sir Henry Lunn day by day, describing within a few hours the scenes he had witnessed, relating the good stories he had heard—the book is packed with them—recording his impressions of the many distinguished people he was constantly meeting, summing up the day's experiences while they were still vividly present to his acutely informed mind.

HARD WORK MADE EASY.

To have committed such a mass of material to writing on a tour which included New York, Ottawa, Chicago, Winnipeg, Vancouver, New Zealand and Australia even if it had been a mere pleasure trip would have been difficult: when we remember that Sir Henry Lunn's journey was filled with arduous propaganda work it would have been a sheer impossibility.

The Dictaphone alone made the achievement not only possible, but, comparatively easy to a man of Sir Henry Lunn's mental equipment and wide experience of travel. The latter told him infallibly what was worth recording, the former enabled him to tell his story in an attractive form and the Dictaphone made it possible for him to record his thoughts and impressions while they were still recent and most vivid. In no other way could this remarkable volume have achieved the peculiar cachet of freshness and vivid interest which is its most striking characteristic and sets it far above most of the works of travel that have been produced in recent years.

Many authors of distinction use the Dictaphone, but this is, I believe, the first time a book of travel has actually been produced during the journey. Rough diaries, of course, are indispensable in any such a task, but in Sir Henry Lunn's case, as he says, this book was practically completed day by day, and when the final revision came to be undertaken the real "flesh and blood" material was ready to hand.

DOING IT AT ONCE.

Sir Henry Lunn has illustrated to the world in striking fashion the greatest advantage of the Dictaphone—the power it confers on the user firstly, to deal instantly with any subject that crops up, and, secondly, to do so in terse, vigorous and natural fashion that cannot fail to impress, that is never stilted or studied simply because it is spontaneous and unforced.

Dictaphone dictation invariably reflects the personality of the user; it gets into whatever he dictates his natural forcefulness and "punch." That is why so many thousands of commercial men value the Dictaphone so highly. It not only enables them to do their work with a speed and ease almost undreamed of, but it gets into the matter they dictate a very faithful reflection of their own personality. The "Dictaphoned" letter carries with it much of the driving power of a personal interview simply because it *is* a personal talk. The Dictaphone user—never hampered by the limitations inevitably imposed by the shorthand system of dictation—talks as naturally and forcibly as though the person he may be addressing were actually seated facing him across his desk.

POWER AND PERSONALITY.

Result is, letters in which full value is given to the writer's personality—letters which have all the impact and convincing power of the writer himself. That is an enormous gain in these days, when the psychological value of the personal touch is perhaps more fully realised than ever before.

You may not want the Dictaphone for a world tour or even for a book. But you do need it in your daily business—need it in a way which perhaps you hardly realise. Let us show you how it will help you. Send a postcard or telephone to-day (Regent 1460) for full particulars to the Secretary, The Dictaphone Co., Ltd., Kingsway House, Kingsway, London, W.C.2.

Progress

ANY part of a clerk's time consumed in non-productive operations is a loss—if that time could be utilized in actual production.

Seven operations under the old method are combined into one on the new Elliott-Fisher Automatic Feed Machine illustrated here.

We will gladly send a handsomely illustrated brochure entitled "Rapid Fire Production" explaining this wonderful machine in detail—

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Business Organisation And Management

A Monthly Magazine devoted to the Organisation, Management and Administration of Industry and Commerce.

Edited by FRANK TOZELAND.

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Editorial Notes.

BUSINESS Organisation and Management is enlarged by eight pages in this issue.

In this brief notice is embodied the justification of the policy pursued by the present Proprietors since acquiring the magazine last May. An essential feature of that policy was sincere service to the reader, and involved the natural corollary, that whatever space might be required by the advertiser, that allotted to the reader should remain approximately the same. Keen and far-sighted advertising men saw the value of this to themselves, with the result that the present number shows an increase in advertising, which enables us to pass on greater benefit to our reader friends.

Items of considerable interest will be noted. Mr. Cunliffe Bolling provides extremely provocative reading in his reply to the query "Is Britain's Problem a Selling Problem?" His forceful lucid style is distinctly thought provoking, as it is intended to be, and our readers are invited to reply. Next month Mr. Bolling will commence a series on "Commonsense Methods of Business Building," covering every possible phase of selling. We have been urged by readers to publish in book form his series of articles on the "Management of Men" recently concluded. We are sure that the coming series will have an equal reception.

"International Co-operation" is considerably enlarged this month and should receive the serious attention of all upon whom is placed the responsibility of increasing the employment capacity of their works. Our policy in this matter receives a striking justification in the speech of Mr. Walter Leaf, Chairman of the Westminster Bank, on the occasion of the annual general meeting. He stated,

> "But a conviction is rapidly growing that it is possible to find a way out by international agreements within great industries as a whole, whereby production may be unified on a large basis; whereby inefficient businesses may be absorbed into efficient wholes, and the partition of production be agreed between the countries concerned in such a way that each district shall be employed solely in the production of that for which it is best suited."

Our own conviction is that since Britain must sell abroad, we are serving the best interests of all by providing an efficient service for that purpose.

* * *

The Advance in Railway Rates.

IT is very doubtful whether the advance in railway goods rates by 6 per cent., which became effective on the first of the current month, will help the admittedly serious financial position of the railways, and it is certain to prove very damaging to the otherwise bright prospects of revival in the heavy industries. In the Iron and Steel industry, for example, as Sir William Larke points out in the *Times*, the influence of railway rates on prices is much greater than in almost any other industry. "Since 7 tons of material are transported by railway for every ton of finished steel produced, the increase in rates per ton is multiplied 7 times in the ultimate cost, the consequence of which is that railway rates represent from 15 to 25 per cent. of the total production cost, depending on the product considered" Manufacturing firms in this industry, whose prices according to the November price index of the Board of Trade, were only 34.5 per cent. above those of 1913, feel very little sympathy with the railways' attempt to advance the level of rates from 50 to 65 per cent. above pre-war. The November price index for all commodities was 52.4 per cent, so that railway rates, before the present increase, were not conspicuously below the general price level

* * *

The Question of Efficiency.

SIR Ralph Wedgwood's ingenuous plea that it is best for industry as a whole that the railway industry should be placed on a sound economic basis because "an unprosperous railway industry will almost inevitably be an inefficient industry," is double-edged; and many traders feel that before raising their rates with such abruptness the railways might very well have considered further the relation between inefficiency and their present unprosperity. It cannot be denied that there is a very widespread feeling of disappointment with the results of amalgamation, so far as they have been translated into present experience. Business men are asking where are the vast economies which it is claimed by the railway managers have been effected, and they remain obstinately unconvinced that under the more competitive conditions existing before the war a better attempt would not have been made by the railway authorities to meet the demand for cheaper transport, and to bring British railway rates into closer relation with those that are found remunerative in competitive countries. Public complaints of the inefficiency of the passenger services are also ominously increasing in volume; particularly is this the case in the London area. The case for railway efficiency is emphatically not proven The only certain effect of the present increase in rates will be to deflect still more traffic into the hands of the road transport companies, now the railways' chief competitors, and to reduce the volume of railway turnover. Should the contemplated increase in revenue be not obtained—and this is a very possible outcome—the financial position of the railways would become extremely grave, making further drastic economies unavoidable. After all, cheap transport is vital to the nation's survival, and if it cannot be obtained under the present form of railway organisation, it is certain that the companies would not be able to maintain the privileged position they were perhaps over hastily given in the Railways Act of 1921.

* * *

Consolation.

MEANWHILE protesting traders will derive but little consolation from a perusal of staff bouquets such as that from Mr. William Whitelaw, chairman of the L.N.E.R., and published in the current *London and North-Eastern Railway Magazine*. Mr. Whitelaw says, *inter alia*, in reviewing the results of amalgamation:

> We have reached a state in which I can without hesitation declare that we are already a team. Our early prejudices have gone; we see each other's virtues now, and have forgotten the shortcomings. Great Central engines have become a standard for Scotland; the Great Eastern Musical Society has played and sung in Edinburgh, and its 400 members have stood looking at the Forth Bridge, saying "This is *our* bridge."

And very nice too! We feel sure the members of the Federation of British Industries would have been delighted to hear this at their protest meeting last month

Company Registrations in 1926.

NO fewer than 7,797 new companies with an aggregate capital of nearly 203½ million pounds were registered in 1926, according to the annual statistics compiled by Messrs. Jordan & Sons, Ltd. Amalgamations and reconstructions were responsible for a considerable proportion of this enormous sum. The close of the year was marked by the registration of a number of companies with exceptionally large nominal capitals, one concern, the Imperial Chemical Industries, with a capital of £65,000,000, having the largest bona fide original nominal capital ever registered As a result of these exceptionally large capitals, the aggregate capital of new public companies jumped from £59,908,155 in 1925 to £144,960,144 in 1926, and the total capital of both public and private companies from £122,901,464 to £203,498,414 Public companies registered during the year numbered 502, a decrease of 42, while private companies decreased by 189

* * *

Ten Years of National Savings Certificates.

THERE are two sharply opposing tendencies almost visibly at work in our national character. It is remarkable that side by side with the undeniable spread of gambling on horse racing, on football, crossword puzzles, and the like, there should be a remarkable development of the instinct for saving. We are rapidly becoming a nation of inveterate savers According to the tenth annual report of the National Savings Committee, the number of Savings Certificates sold from their introduction in 1916 to the year ended March last, amounted to the colossal figure of 765,890,603, the cash equivalent being £598,322,233. The number which remained invested in certificates at the end of the year was £375,575,390, an increase of £6,737,556 over the preceding year. The report draws attention to the fact that this enormous accumulation of saving has been accomplished side by side with an actual increase in the amount deposited with previously existing thrift institutions.

* * *

The Savings of Business Employees.

A POINT of special interest to business readers is the fact that during the year special efforts were made to increase the number of savings associations in business organisations, and that the campaign met with gratifying success. Co-operation was readily afforded by representative trade associations, with the result that a considerable increase in the number of savings associations in works, factories, offices and shops has been recorded. The total number of such associations formed in the year under review was 1,505. The grand total of savings associations now at work is 23,018. It is noted that local authorities have shown an increasing desire to utilise loans based on local sales of National Savings Certificates, and of the total of 1,192 loans granted to 479 local authorities, covering £9,505,891, no less than £4,793,939 has been applied to housing purposes. National Savings Certificates have established themselves as the most popular form of investment for the small man. Side by side with absolute security they offer an attractive rate of interest, comparing very favourably indeed with the relatively meagre rate offered to depositors in the Post Office Savings Bank. It is to be hoped that the Government will not imperil the continued success of this splendid movement by any attempt to effect a further reduction in the rate of interest payable on the certificates.

* * *

The Booming Electrical Industry.

IT is a matter for congratulation that despite the prevailing trade depression, the general strike, and the coal stoppage, one British industry at any rate succeeded last year in maintaining a record of unprecedented progress. The British electrical industry as a whole has never been so prosperous as at present, and many leading firms have work on hand sufficient to keep them fully occupied for the next fifteen months Britain has become the world's leading supplier of electrical goods, and last year, in the teeth of the fiercest competition, obtained overseas contracts worth over £20,000,000. Electrical development on an unparalleled scale is proceeding in this country, in connection with the new super power stations in course of erection at London, Coventry, Bristol, Oldham, Birmingham, and Kearsley, while abroad the electrical age is approaching with hardly less rapidity. It is freely stated that in electrical machinery the competitive position of the British electrical industry is higher now than it has ever stood, and there are indications that the present year will establish new records in the industry's progress.

* * *

Another Co-partnership Development.

THE Commercial Gas Company is the latest industrial enterprise to adopt a profit-sharing and co-partnership scheme for the benefit of its employees. A parliamentary Bill is to be promoted by the Company next session providing that after the payment of basic rates of dividend three-fourths of the surplus profit is to be applied to reducing the price of gas to

consumers. The balance is to be divided equally between stockholders and employees. The employees' proportion is to be distributed as a percentage addition to salaries and wages, and whenever the amount available is less than three per cent. of the basic salaries the directors may make up the distribution to that percentage. The Bill will also empower the Company to appoint employee directors, not to exceed three in number, whose qualifications are to be a holding of not less than £50 of ordinary shares and not less than seven years' service with the Company. The employee directors' fees are to be not less than his ordinary day's pay and not more than four times that amount.

* * *

The Exchange of Business Information.

THE almost immediate formation of an International Institute at Geneva for the exchange of experience and information on the problems of business management was announced in London last month by Mr. Henry S. Dennison, president of the Dennison Manufacturing Company, and one of the best known business men in America. National associations of business men would be identified with the Institute, he said, and their object was by pooling experiences and methods to give business management the opportunity of rising to the level of professional activity. The great mistake of the past, he added, has been to maintain the greatest secrecy concerning the methods used to build up a successful business The development is of much interest to business men in this country, where we understand the idea will receive active support. Excessive secrecy of the kind deplored by Mr Dennison has been a regrettable characteristic of British industry in the past, and very little in the way of exchanging information of common interest and value has been practised. The policy is a curious survival in a country traditionally wedded to the doctrine of free trade and free competition, but it is deeply rooted and will take a great deal of eradicating. The stubborn refusal to disclose facts which are essential as a basis for comparison and analysis has been a great handicap to the progress of scientific business management. We hope the new Institute will have the success it deserves; it is certainly a step in the right direction.

* * *

The Claims of Industrial Research.

IT is a satisfactory sign of the times that employers' organisations in increasing numbers, and even some of the trade unions, have come to appreciate the valuable work which is being carried on in the interests of British industry generally by the Industrial Fatigue Research Board and the National Institute of Industrial Psychology. The activities of both these bodies are of necessity limited by the income available, and neither receives the support it deserves. The Industrial Fatigue Research Board enjoys an income of approximately £10,000 a year under the financial scheme of the Medical Research Council, while the National Institute of Industrial Psychology is mainly supported by the voluntary contributions of its members and associates. Similar institutions in America would almost certainly enjoy the benefactions of wealthy manufacturers, but in this country it is unfortunate that the public spirit manifest in such donations seems to have other outlets for its expression. Yet there can hardly be two opinions among enlightened business men that there is no industrial cause more deserving of practical support than the work of these two organisations, the benefits of which serve no merely private end but are of national advantage. Both bodies work for industrial peace on purely scientific lines. To make the primal curse which dogs us all lie as lightly as possible on the spirit is the end of both. To make work pleasanter as well as more productive; to remove the inner causes of discontent, which are the most rodent and irritant of all; to fight soul-destroying monotony; in short, to reconcile man with his job by seeking to establish the conditions under which that job can best be performed; these are objects which undoubtedly serve the interests of the whole community. They constitute public service not far short of the highest. Industrial research is often a costly business, prohibitive in many cases to all but the largest firms, but none is too small to make use of its services, or to lend support to the work to the measure of its ability.

* * *

A Success Pointer.

IT is recorded of Lord Bearsted, the great oil magnate who died last month, that on one occasion he gave these few hints on the subject of success in business:

> "If you want to succeed you must work with heart, mind and brain. Your ambition must be to work when you are young. For many years I never left home later than eight in the morning, and at night often did not leave the office in time for the last omnibus . . . But chiefly you want new ideas. Success is not on the beaten path. And, finally, in the nature of things, it cannot be given to every man."

The advice throws a revealing sidelight on the character of this remarkably successful man. Lord Bearsted was a pioneer in the development of British oil interests in the Far East, and he effected a revolution by the carriage of petroleum in bulk, by means of tank steamers, instead of in kegs and drums stored in the hold. He was one of the founders of the Shell Transport and Trading Company, which to-day ranks as one of the greatest British enterprises.

* * *

The Industrial Institute.

THE formation of the Industrial Institute, a national body composed of well-known employers and prominent Labour leaders, for the study of the fundamental problems of industry is a step of considerable consequence and one that will have the whole-hearted support of readers of this Magazine. It is significant that important national industrial organisations have already associated themselves with the new organisation. Non-political in character, it includes among its vice-presidents and members of the Council, men of such divergent views as Lord Ashfield, Mr. Runciman, Sir Woodman Burbidge, Lord Oxford, Lord Derby, Mr. Clynes, Mr. Ramsay Macdonald, Sir Alfred Mond, Sir Richard Redmayne, Mr. Snowden, and many other business and industrial leaders. These men are united in their profound disquietude over the present position in industry, and in the belief that if civilisation is to continue some remedy must be found for the spirit of unrest and disharmony which prevails. Strikes and political action have alike proved useless to allay these seething discontents. The effect of Government interference is merely inflammatory. Both employers and trade union leaders have come to realise that they must hammer out a method of solving the problem for themselves.

* * *

The Root Cause of Discontent.

IT is the avowed object of the Industrial Institute to study this problem of discontent *de fond*, to investigate cause and effect in the scientific spirit, and to publish the results of their investigations in the hope that a repetition of the disastrous experiences of the past ten years may be avoided. Mr. P. A. Best, managing director of Shoolbred's, who is one of the vice-presidents of the Institute, suggests in a Press interview that it will be necessary to create a new attitude towards their work in the minds of all engaged in industry, to promote the ideal of business as a public service, and to place more value on the satisfaction of doing than on the satisfaction of what we get out of it. It may be that a considerable advance will lie along these lines eventually, but it would be idle to ignore—and the Institute with its existing membership is hardly likely to do so—that the root cause of the major part of our industrial discontent is the conflict of opinion as to the amount of the divisible product of industry, and as to what constitutes an equitable division of that product.

* * *

Compulsory Arbitration.

SOONER or later we shall be obliged to resort to compulsory arbitration to resolve these conflicting views at the point when disputes reach a crisis, and the strike or the lock-out now supervenes. It is unthinkable that in a country of rational beings the present state of things will be suffered to continue. The very instinct of self-preservation forbids it. Society, for its own protection, refuses to allow disputes between individuals which cannot be settled by mutual agreement to be fought out to a finish on the lines of a Corsican vendetta. Everywhere the authority of the law is invoked to enforce a settlement, and the system works as well as anything in this imperfect world. Why the judicial method should not prove equally satisfactory in the settlement of disputes between groups of individuals we have never been able to understand, and our belief is that its eventual adoption is certain. In a properly constituted industrial court, which would be open to the public, there would at any rate be no concealment of the facts, except under pain of severe penalties. The now unconsidered Third Party to every dispute would be able to exercise its judgment on the merits of the points at issue in full knowledge. In many cases public opinion would not be then the blind force it is now.

* * *

The Trust Movement.

ONE of the noteworthy points in Mr. Goodenough's comprehensive review last month of the operations of Barclay's Bank and the financial position of the country generally, was his endorsement of the now fashionable policy of amalgamation in industry. He advocated strongly the amalgamation of undertakings identical in character, with the object of producing increased efficiency and economies in administration. The tide of amalgamation is now running strongly in this country, and there is a tendency to regard mere combination as a sovereign panacea for our industrial ills. Whether all the anticipated advantages of such a policy will be realised is at least very doubtful, and it should not be overlooked that great industrial combinations, by reducing, if not actually suppressing competition in the products they manufacture, remove one of

the prime causes of efficiency. The history of large trading combinations is by no means one of uniform success. On the contrary, there are many instances in which disaster has followed the attempt to work in combination and under one supreme direction a number of individually successful enterprises.

* * *

Management Pitfalls.

THE pitfalls which beset the management of huge combinations are well brought out in *Industrial Combination in England*, a brilliant new book by Mr. Patrick Fitzgerald, assistant editor of the *Statist*. Directors and owners of businesses who are considering this policy of amalgamation should carefully weigh the facts analysed by Mr. Fitzgerald before committing themselves in any serious manner. It should be pointed out, too, that many experienced business leaders are at variance with the policy. Mr. G. H. Cartland, chairman of Messrs. John & Edwin Wright, Ltd., the wire rope manufacturers, was recently very critical on the subject. He said that up to the present the history of " combines " in this country had not been encouraging : and added that there was an optimum size for efficiency of production and control for every industry, which varies in accordance with the conditions and the complexity of each. Some trades such as the wire rope trade, were of extraordinary intricacy, and afforded much greater scope than others for individuality in manufacture, in technique, in specialising, and in selling policy. There is sound commonsense in these remarks, and British industrial experience justifies them to the hilt.

* * *

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Is the Money Market a Mystery?

What the supply of Gold means to our Trade—A Glance round Investment Markets.

By OUR FINANCIAL EDITOR.

I FIND a wide interest among men in industry and in business in what are called the mysteries of the Money Market. Some people regard this market as being a good second to the Einstein Theory in complexity. I have heard two Chancellors of the Exchequer express doubt whether any living being understands the Money Market. It would be presumptuous in a writer like myself to say, in face of such obvious bewilderment of the great ones, that the Money Market is not difficult to understand or that it has no mysteries.

Yet I am sure there is some confusion as to where these mysteries lie. It has certainly never appeared to me during some years of very close contact with the City that dealings in money are any more obscure than dealings in anything else. The City very largely occupies itself in these dealings, leaving out the Stock Exchange and commodity markets. The banks, the discount houses, bill-brokers, &c , are all engaged in the art of bargaining for the use of money. The Money Market is a centre for fixing the terms on which the use of money for a stated time can be had. When we get that central idea firm in our minds a lot that is difficult becomes simple. Some men I know have found it a help in understanding this market to compare money rates with say a leasehold rent for property Daily money might be compared to such rent for a day; weekly money to such rent for a week; and so forth. I do not know just how it helps to look at matters in this light. For all money rates are calculated at so much per cent. per annum Certainly interest bears a resemblance to rent and to keep in mind that fact—that both are payments for the use of something for an agreed period—may aid some minds that need a concrete example.

SELLING THE USE OF MONEY.

The Money Market lives by selling and buying not money but the use of money In such a market obviously the margin or the "turn" between the interest one has to pay and the interest one can obtain determines whether a deal is profitable. If a money-broker, for instance, can arrange for a big lender to supply money at 3 per cent. per annum and can at the same time find a borrower who will pay 3⅛ per cent , he secures a "turn," or a profit of ⅛ per cent. per annum. That would be a very big profit for such a transaction because sums dealt in on the Money Market are so large that ½ p.c. p.a. is nearer the general "turn." Such a transaction as this contains no mystery; it is as clear cut as selling a yard of cloth What other transactions of the Money Market are there that are more mysterious? Let as glance at a few of them.

Take the bill-broker. He is a man who arranges business in bills of exchange. The essence of a bill of exchange is that it is a document which in a given number of days will become a stated amount of cash. It is a "cheque" which is not to be paid as soon as one presents it but at the date stated on the face of it Most of the bills of exchange market are to be paid three months hence; but a great number ar for longer or shorter periods.

The bill-broker is a man who knows whether the "bills" are good. That is, he has a sound knowledge of the credit of the people who have undertaken to pay the amounts on the bills at the stated dates and of the concerns endorsing the undertaking In the past, this knowledge was of immense importance; and even to-day it is of great service in many ways But the practice of banks and great acceptance houses of accepting bills on behalf of customers now makes dealing in bills much simpler. The acceptor thus pledges his credit and turns the bill into what is known as "fine" paper. The bill-broker knows where bills of all kinds and for all maturities are to be secured and he also knows who will want to buy them and hold them until the money is due. What then is his task in the Money Market? First he needs to find sellers of bills; to arrange for loans of cash to purchase them if his own resources are not enough; and then to transfer them at a "turn" or profit to the people who are in search of such bills. The activities of this class of money market men works down therefore to a very plain business basis as in the above case.

CHIEF ACTORS ON CITY STAGE.

Discount houses function also as experts in bills. They are less of the intermediary than the bill-broker As will be seen from their balance sheets they carry among their assets very large quantities of discounted bills, holding them to

maturity. The discount houses have very close relations with and knowledge of trade.

As I remarked at the beginning there is little or no mystery in all this mechanism for dealing in credit. I have only here sketched a few features of it, of course. I have purposely left the leading actors in the daily drama of the Money Market to the last. These are the Bank of England and the Big Five. The Bank of England is always on the stage and always in the leading role. It is vested with both privilege and authority. It is the Government's bank and adviser on financial operations. It is banker for some of the moneyed public. It operates in investments and discounts bills. It keeps the gold stock of the country. Sometimes we hear little of it but, in common parlance, it is always " boss of the show." Any one of its " Big Five " satellites is in every way a larger institution. For one pound the Bank turns over they turn over thousands. But none the less the Bank of England is the potter and they are the clay. Its word is their law. It always has the whip hand.

Here we do get into touch with the mystery of the Money Market and we must pursue it The mystery does not lie in the mechanism of the Money Market but in the wide effects of the use to which the mechanism is put.

But I am bound to admit that so far we have not got any clear idea of how the mystery comes to exist and we must therefore pursue our inquiry a little further. The heart of the matter lies in one thing. Money and credit are not constant in amount. Our central bank and our other banks do not from month to month hold an unchanging amount of resources. Let us invent an illustration. Supposing all the country drew its water supply from one reservoir. Obviously the height of the water in that reservoir would always be a matter of first importance. If it got very low, watering gardens, having a superfluity of baths, washing down the street gutters and so forth would need to be curtailed. Our banking system is precisely similar. Instead of water, look to the gold stock in the Bank of England. If that gets low, the issue of bank notes goes down; the cash in the hands of the Big Five decreases; the banks then begin to curtail credit; money becomes scarce and dear; advances are called in; trade is slowed down by falling prices and reluctance of industrialists to manufacture in such a period; and depression spreads

A QUESTION FOR TRADERS.

That, dear reader, is the way the system works in this England of ours in the twentieth century. Is it a good system?

No better one has yet been discovered. It holds the field simply because mankind in its highest civilised forms has not anywhere in the world discovered any plan better than taking a single precious metal—gold—for the basis of its money and credit; giving that metal a fixed price (which, let it be remarked, is very different from a fixed value) and accepting all the ills that scarcity or plenty of that single metal may bring.

But, in writing for readers of a magazine which, like this, lives to stimulate forward-looking enterprising men, it is permissible to ask whether our credit and our trade can for generations to come be continued on a system which is controlled by the amount of gold available for monetary uses. For, let it be borne in mind, that gold flows in many channels besides that of the central banks, but only that which reaches the central banks is useful in the credit situation. Few people realise that if the whole public of the countries of the world suddenly had an overwhelming desire for gold teeth and gold cigarette cases they could empty half of the vaults of the central banks, unless legal restraint were promptly laid on them, and cause a contraction of credit sufficient to create panic. We rest on such slender foundations on the gold standard Very often in our history, a good harvest in India, followed by the natives' acquisition of gold for hoarding, has caused our industrial concerns to be deprived of credit necessary to the maintenance and expansion of their activities.

LOOKING FACTS IN THE FACE.

We must look facts in the face. The supply of gold by reason of the monetary system of the United States, Great Britain and some other countries is the most important thing in the world. What would happen to that supply if the great mines suddenly give out, or, a much easier thing, if there were a long-continued strike at the mines? Every gold standard country would, as in the war, have to leave the gold standard in cold storage until new mines were discovered or peace were restored.

As I have said the gold standard is the best yet discovered. But it is a fair weather, not an all-weather device. It ceases to have any value when the storm clouds burst Every nation except the United States had to throw it to the winds in the Great War; and the United States only maintained it because all the battling nations in the first two years were paying her tribute.

And it is this very standard which produces all the deep mysteries of the Money Market; upsets our trade, brings cycles of boom and slump. We need to get our best minds to work, not necessarily on how to dispense with it but on

how to render its operation free from the crude impact on our business situation that it now has.

WHERE ARE THE BARGAINS?

As I forecast at the end of last year the Stock Markets have been very active in the first month of 1927. Readers who acted on the advice given here to buy 3½ per cent. Conversion Loan have seen the price go from under 75 to 76½. Keep this stock in mind. It is one of the best things in the gilt-edged market. Next to it come the new 4 per cent. Consuls which should be bought by investors at under 90 with the greatest confidence. This stock, a new corner into the Government securities market, will not be paid up for some time. Therefore buyers can obtain it on progressive payment. I predict confidently that its price will gradually rise in the next three or four years to 95 which will give a capital appreciation of £8 to £9 from the early market price. Keep this stock in mind also.

Among speculative shares on the Stock Exchange I think a " flutter " in

Peru Corporation Preference at 52 to 54,
Leopoldina Rly Ordinary at 54 to 56,
Juga Valley Tin (a new issue) at 1/- over par,
Marks & Spencer 7% Preference at par,
British Celanese 7½% Preference at up to 10/-,
Wm. Whiteleys Ordinary at 85/- to 87/6,
British South Africa (" Chartered ") shares at 30/-.

All these have a good basis as well as speculative possibilities. Wise purchases, mixing them up, should turn out well.

The " B.O.M." Library Service.

Under this heading we shall, month by month, deal with books having a definite value to our readers; the channels of service which are at their command, and replies to queries. Books may also be ordered and supplied by the service when desired. We hope our readers will make the utmost use of it in every respect; we, in turn sparing no effort to give a definite library service.

Balance Sheets Aspects of "Safety First."

ACCIDENT prevention in industry is now being presented to the commercial mind on an economical rather than on a sentimental basis, and the contention of many humane and philanthropic enquirers is that in commerce it is better that all welfare work should be presented in this way.

There is a great deal of sound sense in the contention, because in the well regulated business, once an activity or interest begins to come into the scope of mathematical analysis, for Trading Account purposes, there is a greater probability of its necessities receiving organised attention and care.

" Safety First " in the modern factory, quite apart from emotional aspects is a paying proposition. Where men work safely they work cheaply. Where accidents are avoided there are large direct savings in actual money cost to the sufferers, their families, the employers, and the insuring houses, but it appears to be doubtful if these exceed the indirect saving in time, smoothness of operation and conservation of working nerve.

In " Industrial Safety Organisation,"* Mr. Lewis De Blois, the well-known American expert, deals with the whole subject in a manner that appeals to practical men, for his work abounds with countless instances, statistics and data that present his points in a form at once interesting and convincing.

Mr. De Blois' figures are startling. He quotes the careful calculations of Carl Hookstadt for the year 1923 in which the conclusion is arrived at that the cost of industrial accidents in the United States during that year amounted to the equivalent of 227 million working days or 200 million pounds sterling in wages.

The United States Steel Corporation, which works accident prevention as a commercial department, estimates that its outlay of £1,950,000 between the years 1912 and 1922 on this work led to a direct saving by the avoidance of accidents of nearly three million pounds—a return of 50% on the investment.

The Standard Oil Company of New Jersey by adopting scientific accident prevention system reduced the frequency of accidents in less than three years by 58%.

The International Harvester Company organised safety work in 1908 and by 1922 the frequency of lost time accidents had been reduced to 76%

Other cases are equally interesting. The Chatham Works Co., after adopting a safety system passed 24 consecutive months without a

" Industrial Safety Organization," by Lewis A. De Blois; McGraw Hill Book Co. Inc. 4 Dollars.

single lost time injury; while the Clark Thread Company, with 5,000 employees, " achieved the remarkable no-accident record of 268 calendar days—approximately ten-million man hours ! "

He instances a factory that in 1921 had never had a single month without an accident. Then a " no-accident month campaign " was started. Committees were appointed, and within a year they had one month to their credit. The next year they had five months without an accident; last year there were nine months without accident. Now they are out for a " no-accident year."

The methods by which accidents are prevented are dealt with in lucid and understandable form. They cover too much ground for the space of a brief survey, but largely they follow two lines (1) those that may be called human nature or psychological; and (2) those that are part of good management or organisation.

In the first of these safety committees and departmental competition plays a large part. In the second the keynote appears to be " A safety factory is an efficient factory "

It is intensely interesting to note from Mr. De Blois' numerous investigations how closely protective principles are linked up with orderly arrangement of the works and systematic method in all operations To read his book is to realise a " safety first " factory as a highly geared, smoothly running triumph of effectiveness.

Mr. De Blois' opening quotation is worth remembering

" And the end is that the workman shall live to enjoy the fruits of his labour; that his mother shall have the comfort of his arm in her age; that his wife shall not be untimely a widow; that his children shall have a father, and that cripples and helpless wrecks who were once strong men shall no longer be a by-product of industry."

BOOKS about success are many. Books that give the secret are few. Some are written as autobiographies and are usually descriptive rather than analytical. It would seem, then, that either the most successful are the least conscious why they are so, or else they lack the ability to delve deeply into the problem. Of course, the cynic says they know but do not intend to tell.

Dr. Channing Haddock is an expert in psychology. In addition he knows the problems of business. He knows them so well that he appreciates their fundamental connection in spite of their apparent divergences. His book differs from many in that it tells the reader what to do and how to do it. Nearly six hundred pages are replete with practical suggestion for the development of business power.

Common-place people are content to walk for life in the rut made by their predecessors, long after it has become so deep that they cannot see to the right or left. This keeps them in comfortable ignorance and darkness, but it saves them the trouble of thinking or acting for themselves.

The author does not write for such. He writes for the man who realises that ability is within himself; the man who understands that the potentiality for success is not an extraneous advantage which he may be lucky enough to come across in the course of years.

Personality cannot be thwarted. It has a natural growth but needs a stimulant. Like other faculties it is liable to abuse. It can develop into an anti-social force. Business gives personality the greatest scope with the least possibilities of harm. Personality can reach its end in business without violence or other unpleasant features. These are common enough in unregulated spheres of life.

It is a field for the exercise of self-control and the lessons of experience. No man can set out to master the world without first mastering himself. This sounds a platitude, but how many aspirants realise it? One can read the " New Machiavelli," by H. G. Wells, and understand how self-mastery comes last.

Coleridge says that to most men Experience is like the stern lights of a ship which illumine only the track it has passed. Dr. Haddock does all in his power to show the reader how to put the lights at the prow. He gives practical advice to all and specific advice for many occupations. He is both guide and mentor.

Not the least valuable section of this book is that concerning Power in relation to Economic Axioms. So many are content to regard economic truths as theoretically interesting. How many ask, " How shall I act in the light of these facts? "

There is undoubtedly a growing appreciation that business is not an empirical venture. There must be fundamental psychological as well as economic principles involved. It is not an adventure amongst a host of distinctly and absolutely different problems. Its seas are capable of charter. This book is a record of one voyage for that purpose

Business Power

By Frank Channing Haddock, Ph.D.

This book does not presume to give instruction in the conduct of a man's business, but it does offer him suggestion in the practical psychology of business power It demonstrates that he is endowed with as great powers as outstanding business leaders and shows him how to put faculties into use which are now simply dormant The author is known as one of the greatest authorities on the Human Will

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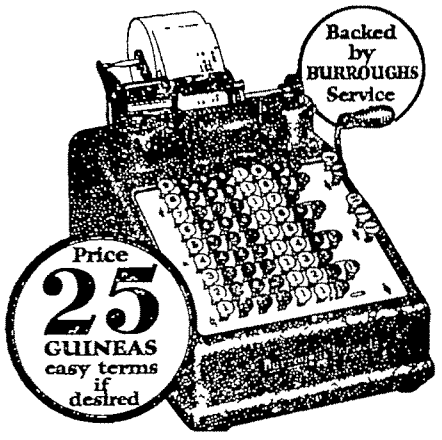

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ADDING BOOKKEEPING CALCULATING AND BILLING MACHINES

Rythmic Typing.

This vignette of commercial enterprise, contributed by our Dutch representative, Mr. GILBERT DE ZILWA, is of interest. Similar training is furnished by Clark's College, of Chancery Lane, W.C. 2.

HOLLAND, though a small country, is not backward in keeping up with general progress in education for commerce

In the course of my business duties I had the pleasure of calling on Mr. A. Schoevers of the well-known Shorthand-Typewriting and Business Training Institute, " Schoevers," in the Hague, when he very kindly gave me a demonstration and explained the principles of what is called Rythmical Typing. This method of teaching typewriting is causing quite a revolution in the business training schools here, and I think it will interest those who are responsible for similar work in England. I understand that there are one or two places in the United Kingdom where the method is receiving attention; however, through the medium of " Business Organisation and Management," I think a wider publicity can be given to what is certainly an improved method of teaching the art of typewriting.

Of course the ten-finger-system is taught and strictly adhered to as being the only system by which speed and accuracy can be obtained. The details of this system are now common knowledge the world over, but what Mr Schoevers laid stress on is, that not sufficient attention is paid to the flexibility of the fingers, especially the middle and third fingers, which are generally stiffer than the others. The result of this it would seem is that when these fingers are used the typing is irregular, even in the case of those who have attained a high speed. To overcome this drawback, Mr. Schoevers believes in giving special attention to these fingers, of course, not by any means neglecting the others.

From experiments based on these principles he has evolved his method of " Ten-Finger-System of Rythmical Typing," in which use is made of the metronome

The pupils are taught to strike each letter to the ticking of the instrument which in the first lesson goes very slowly. When the class gets accustomed to the time, the rate is increased gradually and the regularity of striking the keys is maintained, with increased speed.

By way of change the metronome is replaced by a gramophone, for which only music of a pronounced time is suitable. Now, as the speed of the gramophone plate can be regulated, the speed of typing can be increased accordingly.

A demonstration was given with a class of about twenty-five young pupils and the regularity with which the keys were struck was indeed, very remarkable. The letters typed were neat and quite even. Whereas formerly lessons of two hours were given, now lessons can, with the help of the new system, be shortened to one-and-a-half hours and the same results attained with much less fatigue to the pupils.

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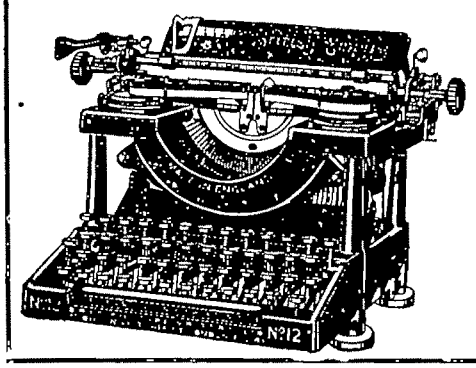

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ENQUIRIES FROM ABROAD FOR BRITISH GOODS.

SECTION A of "B.O.M." International Service. **SECTION B on p. 320.**

EDITORIAL NOTICE :—This Service will prove to be worth many times the subscription price of this Magazine.—The Service is FREE to all B O.M. subscribers and advertisers, to whom the addresses to the enquiries will be supplied and queries answered without charge. Non-subscribers are asked to send 2/6 for the complete address " key."

Whilst every care is taken that only enquiries from bona fide buyers or manufacturers are published, the Publishers and the Editor cannot be held responsible for any discrepancies arising out of dealings with the firms whose enquiries are published.

British Manufacturers and Exporters seeking buyers or agents for their goods in foreign countries, and British Importers seeking connections with foreign manufacturers or exporters, are asked to apply for the B O.M Service Form 1, stating whether exporter or importer.

Please do not forget to enclose stamped envelope when writing.

ALL COMMUNICATIONS TO BE ADDRESSED TO : The Business Organisation Ltd. International Service, Granville Chambers, Bury Street, Bloomsbury, London, W.C. 1.

MACHINERY—ELECTRO-TECHNICAL ARTICLES.

(30) **Ceylon.**—Firm in Kandy desires to receive direct offers in English (catalogues, etc) with lowest prices and best terms, for electric torches.

(31) **Portuguese East Africa.**—Wish to represent manufacturers of a two-cylinder motor-cycle.

(32) **Roumania.**—Interested in offers from manufacturers of wood-working machinery: correspondence in French.

(33) **Canada** —Seek connection with manufacturers of electric bulbs; willing to take over sole-selling agency.

(34) **Paraguay.**—A firm which is well connected with boot and shoe factories in Paraguay is open to represent makers of machinery for the boot and shoe industry A supply of Spanish advertising material, folders, price-lists, etc., and offers in the Spanish language are requested

(35) **El Salvador.**—An important company with branches in several Central American districts is open to represent responsible manufacturers of electric lamps, bulbs, electric household utensils, electric irons, electric cooking-apparatus, etc. Correspondence in Spanish or German.

(36) **Cyprus** —Well established firm wishes to act as distributors for manufacturers of electric bulbs and all electric novelties.

(37) **Latvia.**—Firm of engineers seek connection with makers of electric lighting and heating apparatus and accessories.

(38) **Bulgaria.**—An industrial company wishes to import motors, and all general electric material. Correspondence French.

(39) **Ceylon** —A Dutch gentleman seeks for Ceylon agency of manufacturers of electric bulbs; also wireless valves, etc. Catalogues and price-lists in English; state terms of payment

(40) **Czecho Slovakia.**—A reliable firm of distributors of wireless material seek connection with manufacturers of wireless accessories, excepting valves.

STEEL, IRON, METAL GOODS—MOTORS.

(41) **Australia.**—A Sydney firm wishes to receive full particulars and prices of motor accessories, garage fittings and tools for use in garages. Only direct offers fro mactual manufacturers will be considered.

(42) **Australia.**—A Melbourne firm is open to represent manufacturers of cutlery in Australia and New Zealand.

(43) **Greece.**—Seek connection with manufacturers of all kinds of pumps. Correspondence in French.

(44) **Uruguay.**—Wishes to act as sole-agent on behalf of manufacturers of furniture fittings, small locks for cabinets, wardrobes, etc Prices to be quoted c.i.f. Montevideo in U.S.A dollars, including commission; payment offered against documents in Montevideo

(45) **Uruguay.**—Interested in buying iron bedsteads and general hardware.

(46) **Yugoslavia.**—Wish to receive offers for pumps and allied articles.

(47) **Latvia.**—Hardware and cutlery wholesalers are open to take up a few novelties in these lines.

(48) **Brazil.**—Are buying large quantities of railway construction material, lifts, cranes, water-pipes, etc.; prepared to act as agents. Correspondence Portuguese.

(49) **Latvia.**—Seek connection with exporters of tin, sheet metal, brass and copper plates, iron and steel goods.

(50) **Spain.**—Wish to represent manufacturers of sewing-needles, pins, etc. Correspondence Spanish or French.

(51) **South Africa.**—Interested in general hardware, especially wire-netting, fencing and general wiring-material

WOOD-WORKING MATERIAL—BUILDING MATERIAL.

(52) **Uruguay.**—Seek connection with manufacturers of two-seater scholar desks and pulpits, made of beech-wood on iron pedestal; exact designs would be submitted These desks are required for Government contracts. Prices to be quoted c.i.f. Montevideo, U.S A. Dollars, inclus. commission. Payment offered against documents in Montevideo.

(53) **Peru, Chile, Bolivia, and Ecuador.**—Enquiries received for building material. Offers in Spanish with prices quoted c.i.f.

(54) **Turkey.**—Seek connection with manufacturers of machinery and accessories for making bricks and tiles Correspondence in French or German.

LEATHER and LEATHER WORKING INDUSTRIES.

(55) **Holland.**—An importer of leather goods seeks connection with reliable manufacturers of solid and fancy leather goods.

(56) **Australia.**—Well established company is buying leather goods, saddlery ware, harness, belts, etc.

(57) **Japan.**—Offers required from actual manufacturers of artificial leather, leather cloth and similar leather substitutes

(58) **Yugoslavia.**—Offers and samples wanted of chrome tanned goat and sheep skins for gentlemen's leather coats, brown, 44-in First class references offered

CHEMICAL—PHARMACEUTICAL—SURGICAL ARTICLES.

(59) **Roumania.**—Interested in agencies for chemicals for industrial purposes Correspondence French.

(60) **Argentina.**—Constantly importing all kinds of technical and pharmaceutical chemicals, drugs and allied lines. Correspondence in Spanish; offers c.i f.

(61) **Latvia.**—Buying painters' and decorators' colours, dyes, lead-white, etc

OFFICE SUNDRIES—EQUIPMENT—STATIONERY—PAPER.

(62) **Ceylon.**—Dutch gentleman seeks for Ceylon agencies for all kinds of stationery lines (except paper); catalogues required in English, stating prices and terms.

(63) **Hungary.**—Always interested in stationery novelties

(64) **Turkey.**—Wish to import printing papers, newspaper stock. Correspondence in French or Greek.

(65) **Abyssinia.**—Wish to act on behalf of manufacturers of cheap stationery, note books and note blocks, pencils, penholders, etc.

(66) **Turkey.**—Always interested in stationery lines, especially novelties, also papers and paper goods. Correspondence French

(67) **Esthonia.**—Offers and catalogues (where possible, also samples) requested of: scholars' and artists' colours, Indian inks, glitter-wax, inks, sealing-wax, pencils, coloured pencils, pens, boxes of stationery, post cards, picture cards, drawing-tacks, T-squares, set squares, compasses, copy books, etc., and all other school material.

(68) **Roumania.**—Agency wanted for a portable typewriter.

(69) **Esthonia.**—Wish to import stationery lines, school sundries and drawing materials, painting materials, etc.

TEXTILE GOODS—DRAPERY—CLOTHING.

(70) **Palestine.**—Seek to import hosiery, suitings, costume materials, woollens, etc.

(71) **Lithuania.**—Importing material, gloves, hosiery, ties, collars, etc.

(72) **Spain.**—Seek connection with manufacturers of printed Crepe de Chine. Correspondence in Spanish

(73) **Dominion Republic.** Ask manufacturers of hats and caps to communicate.

GLASSWARE—OPTICAL GOODS.

(74) **Norway.**—Constantly importing graduated and ungraduated medicine glasses, oval brown injection glasses and tubes, medicine bottles, ointment pots with celluloid covers, thermometers, syringes, etc.

(75) **Columbia.**—Importing clocks and watches. Correspondence Spanish.

(76) **Chile.**—Importing all kinds of glassware, china, etc

FANCY GOODS—TOYS

(77) **Palestine.**—Seek connection with toy manufacturers

(78) **Sweden.**—Interested in toy novelties; willing to take over agency of reliable manufacturers.

(79) **Chile.**—Firm of importers buy on own account all kinds of fancy goods and novelties. Correspondence in Spanish only.

HOUSEHOLD GOODS—KITCHEN UTENSILS.

(80) **Dutch East Indies.**—Amsterdam firm are buying household articles, porcelain goods, etc, for export to Dutch East Indies, also enamel and aluminium ware.

(81) **Costa Rica.**—Wish to act as distributors for manufacturers of china and porcelain ware, earthenware and similar goods.

GENERAL.

(82) **Turkey.**—Buying in large quantities: gramophones and accessories, such as records, needles, etc Correspondence in French

(83) **Mexico.**—Always interested in all kinds of novelties

(84) **Japan.**—Wish to import rubber and asbestos packings.

(85) **Turkey.**—Photo articles required for the Turkish market.

(86) **Palestine.**—Musical instruments; agencies required.

Foreign Manufacturers and Exporters seeking Buyers and/or Distributors in Great Britain and other Countries.

(87) A manufacturer of toys seeks connection with live agent who is well connected with the toy trade in Great Britain.

(88) Czecho-Slovakian textile goods manufacturers require reliable agents in Great Britain and the British Dominions.

(89) Indian Shipper of hides, skins, cuttlefish, spice, etc., requires reliable commission agent in London and invites correspondence

Numerous other enquiries had to be held over for want of space. Foreign importers, distributors, as well as manufacturers, are already making an extensive use of the B.O.M. Enquiries Service, and we only hope that British firms will do the same. One single enquiry alone may lead to a permanent business connection.

Our foreign and overseas friends write to us, telling us their requirements, because we have told them that British manufacturers are anxious to open up new connections abroad. We must now leave it to our readers to make extensive use of this Enquiries Section, and to show that British manufacturers are alive and keen on doing business, instead of allowing foreign producers to snatch what business is there to secure.

The Trade Cycle.

By H. A. SILVERMAN, B.A.

The Study of Economics may appear to be outside the scope of practical business. Modern conditions of commerce, on the other hand, are demanding from its votaries in an increasing degree, a knowledge of many things formerly ignored. To be successful in the highest sense of the word, a man must be conscious of more than effects only; he must know *causes*. This series on practical economics, by a close student of practical things, is worth the attention of every serious mind. Comments are welcome.

—EDITOR.

DEPRESSIONS in trade can be roughly divided into two categories. There are, first those depressions which follow some catastrophic event such as a war or a harvest failure, and which are very irregular in their incidence. Secondly, there are those periods of inactivity, which are not usually as calamitous as the former type, but which occur with a certain degree of regularity, alternating more or less evenly with periods of prosperity. That these periodical fluctuations do occur there can be little doubt. Records of unemployment and profits, for example, indicate that the average time that elapses between one depression and another is about 7 or 8 years. Thus, the percentage of unemployment in 1879 was as high as 11.4. It fell to 2.6 in 1883, rose to 10.2 in 1886, fell to 2.1 in 1889, rose to 7.5 in 1893, and so on.

These trade movements, moreover, are not confined to any one country, but have their reverberations throughout the whole of the industrial world, irrespective of political boundaries. Such an effect is easy to understand when one realises the common interests and the economic interdependence of modern nations. It is true that, on occasions, " booms " in one country have coincided with " slumps " in another, as, for example, during the last five years. But, on examination, it is found that these discordant movements are due largely to special political and, perhaps, abnormal monetary conditions; they are brought about by exceptional circumstances that fall outside the ambit of the ordinary trade cycle.

The periodical fluctuations of trade, though they are as yet but incompletely understood, present some of the most interesting problems in economics. In this article we shall describe in outline the trend of events during a trade cycle, and comment upon its main characteristics. In subsequent issues we shall examine more particularly the causes of these periodical movements in trade and employment, and consider to what extent the ebb and flow may be " smoothed out."

THE UPWARD MOVEMENT.

Strictly speaking, a trade cycle cannot be said to have beginning or end. When conditions seem to point to a " boom " there are already counter-forces at work that will eventually turn the flow of business in the opposite direction. And when the " slump " seems imminent the seeds of a trade revival are already germinating. For purposes of description and analysis, however, we must begin somewhere. As a convenient starting point we may choose the time at which trade conditions are just reviving after a general depression.

Suppose then that the situation is improving after a period of bad trade. Prices are rising and manufacturers and merchants are experiencing a wave of optimism Stocks that had become depleted during the previous year or two have to be replenished, while capital goods also call for renovation and replacement. There is an increased demand on the part of producers for raw materials and semi-manufactured articles. In order for them to obtain the necessary supplies new credits are sought and are usually granted. As a result of the increased demand for goods thereby made possible, the tendency for prices to rise is intensified. The consuming public, too, play their part in the general movement. In anticipation of higher prices they are tempted to make what purchases are practicable at the existing lower level. The total demand is thus increased above the normal amount, with a still further reaction on prices.

A relatively small improvement in trade as a whole causes a larger immediate benefit to accrue to the constructional industries, i.e., to those industries which are mainly employed in making, not the goods for the " final " consumer, but the tools, machines and other instruments of production. The reason why such industries should benefit first does not need much explanation. Before stocks of consumers' goods can be adequately increased, the means of producing them must be extended, and brought to the necessary

pitch of efficiency, for it is unlikely that all the necessary replacements and additions have been effected during the period of depression. With the constant improvements in the technique of production, and therefore with the comparatively fast depreciation of existing machinery, even if the latter has hardly been utilised, manufacturers are naturally reluctant to extend their plant unless it will be employed to advantage at an early date. Thus, on the first signs of a trade revival, the activity in the constructional trades is usually more marked than elsewhere.

BOOM AND SLUMP.

The percentage of unemployment gradually diminishes, while the increased wages and dividends cause a corresponding rise in the demand for goods. Prices continue to rise and trade conditions go on improving until a stage is reached when manufacturers are producing to their utmost capacity. Borrowers, finding that their loans do not keep pace with prices, and in order to derive full benefit from the prosperous conditions, increase their obligations even further. Also, people who have made high profits are encouraged to divert them into the investment market where high rates can now be obtained. The speculative element, always present, becomes increasingly pronounced, and transactions that are little removed from gambling become common. Until now there has been a genuine production "boom," accompanied by a legitimate increase in the volume of goods. But now the merchants come into the foreground, and exercise an undue influence over prices and profits. Many of them buy stocks in order to hold them up for a time and then sell at inflated values. The capital they require is largely provided by the banks, who until now have been lending somewhat freely Thus, there is superimposed a speculation "boom," less beneficial to the community and far more treacherous. Prices may continue to rise for a time, but the further prosperity has ceased to be real The turn of the tide has been reached.

THE DOWNWARD MOVEMENT.

No two trade cycles have been identical in every respect, and therefore we cannot specify a uniform set of conditions that witness the change-over from the upward to the downward movement of trade. On some occasions an acute financial crisis has marked the peak points, while on others the return has been effected with less suddenness and intensity. There are, however, certain common features to be observed during all periods of this description, heralding the approach of a trade decline To begin with, the merchants find increasing difficulty at the high price level in finding a market for their accumulated stocks. Supply is abundant but demand becomes relatively weak. The banks are not disposed to lend so freely as they had done during the years when trade was prospering. In order to safeguard their position they raise the discount rate and call in existing loans. Merchants and manufacturers, partly because they need ready cash, and partly because they wish to discount the almost certain drop in prices, unload their stocks on the market. Consumers, on their part, postpone their purchases where possible or buy only in small quantities. The inevitable result is an undue fall in prices, and a serious contraction in the rate of production. Factories are closed down or put on short time, and the percentage of unemployment shows a rapid increase.

It is difficult to unravel cause and effect at such times, for everything is inter-related and interdependent The circumstances just mentioned do not necessarily happen one after another but may occur more or less simultaneously. While dealers are petitioning the banks for further accommodation, the latter find that their depositors are withdrawing large amounts. Just when the supplies are plentiful and purchasing capacity of the public, owing to smaller wages and dividends, is gradually reduced. Manufacturers who have extended their works during the "boom" period now find their overhead charges a serious burden on the falling revenues. The effect is thus cumulative, and the downward trend, once begun, gains in momentum.

EBB AND FLOW.

The constructional industries, which, as we showed above, are foremost in benefiting from the trade revival, are now among the first to suffer heavy losses. When manufacturers find a large part of their plant lying idle, there is naturally little call for fresh capital goods. Such commodities, therefore, decline in value more rapidly than others, and prepare the way to some extent for a general price reduction. Similarly, raw materials drop in value at a faster rate than manufactured goods, while the drop in wholesale prices is more pronounced than that in retail prices. The luxury trades, which thrive in periods of prosperity, feel the pinch of hard times sooner than those trades that produce the comparative necessaries of life.

There is no need for us to enumerate all the steps in the trade depression, for they are practically the reverse of those which we have already mentioned as constituting the upward movement of trade General prices continue to fall, but in so doing they stimulate the consumer to increase his purchases. The demand, of course, cannot be nearly so great as during a "boom" period, for the total production, and therefore the purchasing capacity of the people, is not so large. It

is a well-known economic fact, however, that consumers' demand, though certainly variable, is more stable on the whole than conditions of production. Eventually, the position is reached when, with the contraction of production and the growth of demand, any existing surpluses of goods are used up, and supplies become increasingly scarce.

We are now once more at the turn of the tide. As the supplies fall short of the demand, prices harden and manufacturers become more optimistic. The prices of some commodities may not rise immediately, for an expansion of output may lead to a reduction in the unit cost of production and perhaps, for a time, to a further drop in the price. The general price level, however, gradually rises, and stimulates industry into a period of activity.

Money can be obtained for new industrial ventures at comparatively low rates, for, in the absence of large demands for capital during the years of bad trade, funds have gradually accumulated. The rate of discount is low, while the banks are more willing to finance manufacturers than they were on the oncoming of the " slump " As a result of these favourable conditions, the volume of production is increased, new firms enter the field, the percentage of unemployment declines, and the cycle of trade begins afresh.

SUMMARY.

From the foregoing general account, it should be evident: (1) that the cyclical fluctuations do not exercise the same force on all trades or on all prices; (2) that the constructional trades in particular are among the first to benefit when trade is reviving, and to suffer when it is declining; (3) that the rise or fall of prices is both a cause and an effect of movements of trade; (4) that the amounts paid out in wages and dividends not only reflect the existing economic conditions but also, in the form of purchasing power, help to determine the subsequent trend of industry; (5) that the banks and other financial agencies have an important share in helping on, though they do not actually cause, the fluctuations in trade, and (6) that the periodical " over-production," so-called, is due as much to speculative as to purely industrial causes.

These observations do not explain the causes of the trade cycle, but they afford valuable indications as to where the origins may be found. Suggested explanations of the causes are legion. In the next article we shall pursue the subject a little further, and consider to what extent the periodical fluctuations are attributable to " over-production " on the one hand and to " under-consumption " on the other.

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Salving a Million-Ton Meteorite.

A Daring Treasure Hunt—Mining for a Meteorite Valued at £10,000,000—How Meteorites Reach This Earth—Some Historic Stones—The Diablo Meteorite—A Twenty Years' Quest—Meteorite Believed to be Located—Difficulties of the Work—Harder than Armour Plate—Huge Crater made by the Falling Giant—Dislodging 300,000,000 Tons of Stone—Powdered Rock as a valuable By-product—Twenty Tons of Specimens from the Parent Mass—Composition of the Meteorite—Valuable Metals and Diamonds—Tunnelling 360 feet to recover lost Drill—Working in the Crater—Heat, Rattlesnakes and Lightning.

By JOHN L. von BLON and H. J. SHEPSTONE.

BLAZING out of the empyrean, fifty or a hundred times as fast as a bullet flies, a comet collided with the earth, showered an area of seventy-five square miles with many thousands of white-hot iron missiles after the manner of a huge shrapnel shell letting go, tore a stupendous hole in the solid rock surface, and embedded its metallic head far beneath. The obtruder from space was the celebrated Canyon Diablo Meteorite which fell a dozen or thirty centuries ago. It left a scar on a dreary plain in Arizona, midway between the Grand Canyon and the Petrified Forest, which is a world wonder to-day. Now after years of endeavour, the super-meteorite has seemingly been found and a practical attempt is being made to salve it. When it is stated that it is estimated to be at least 300 feet in diameter, to turn the scale at a million tons, and to be worth over £10,000,000, it is clear that it is no mean treasure that is being sought

These missiles which reach this earth from outer space are often composed of pure iron and other prized metals. So far, 685 definite meteorites have been recorded, and all the leading museums boast of specimens. In the Mineral Gallery of the British Museum of Natural History can be seen a small meteorite, one of the numerous pieces which split off from the Diablo mass when it collided with the earth. Meteorites have been found in all parts of the globe, no particular region of our planet apparently being immune from these heavenly visitors. They have been picked up in this country. One, weighing 56 pounds, actually fell at the feet of a labourer at Wolds Cottage, near Scarborough, on December 13, 1795.

The most recent instance of a meteorite being seen to strike this earth was in the November of 1919 It appeared as a great light in the sky and ended its career by plunging into the middle of Lake Michigan. Its light was visible fifty miles away. On account of the speed they travel, many miles per second, and being also red hot, it would be a serious matter for anyone to be struck by one of these celestial missiles, even if it were no larger than a marble. Fortunately for the inhabitants of this globe, however, they disintegrate when they enter the atmosphere which envelops the earth and come down as fine meteoric dust This is decidedly consoling when we remember the huge army of meteorites that are constantly bombarding our atmosphere. Astronomers tell us that the earth sweeps up the dust of twenty millions of them in a single day's journey through space. Here it should be added that the greater majority, even if they reached the earth, would be but a few grammes in weight, but their impact would be anything but pleasant.

CONSTITUENT VALUES.

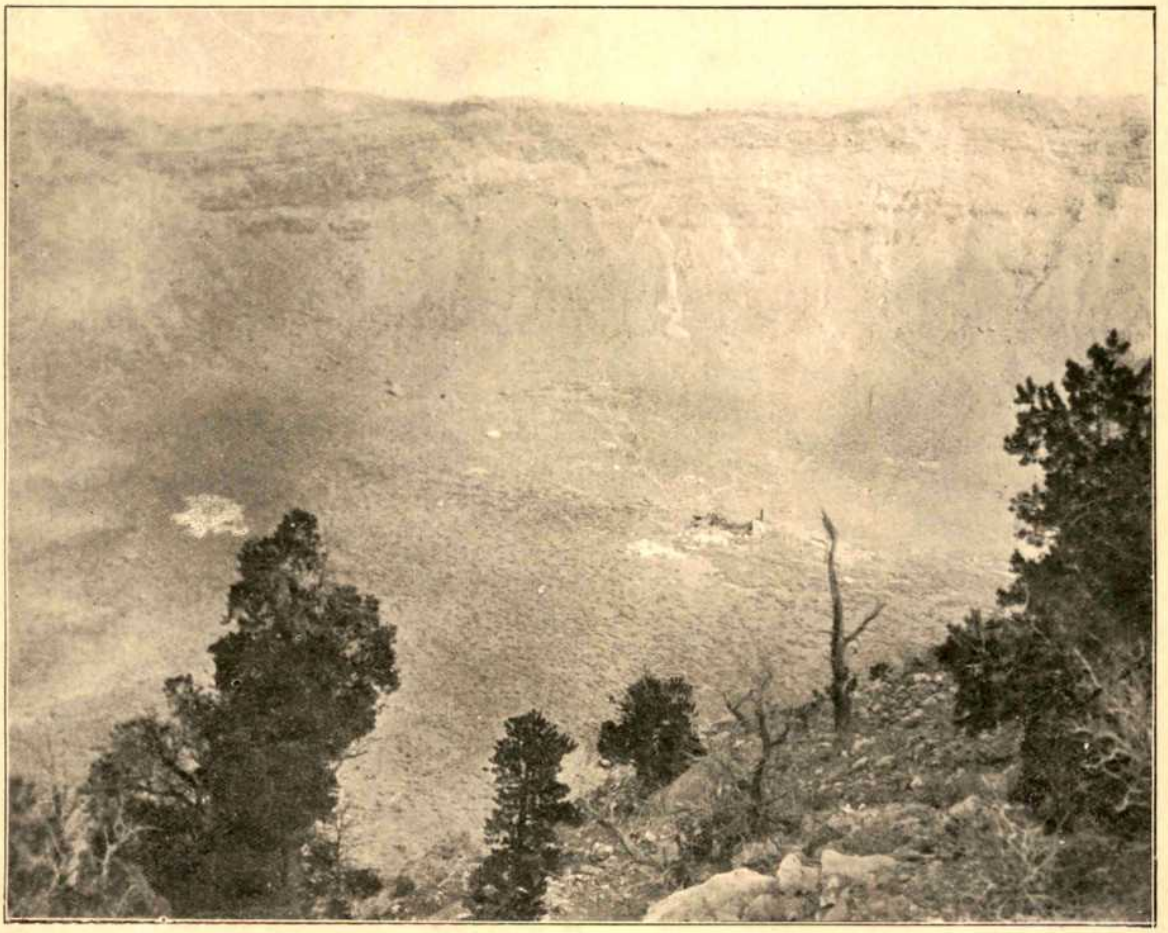
Now and again, however, these visitors from above do manage to break through, due, astronomers believe, to the fact that they happen to be moving more or less in the same direction as the earth Those that have been found vary considerably in size and also in the nature of their composition Some are very "stony" and of little value, while others represent almost pure iron and other valuable metals. Aluminium, magnesium, nickel, phosphorus, and silicon are fairly plentiful in their occurrence in meteorites. Less frequently, and in smaller quantities, are found antimony, arsenic, chlorine, chromium, cobalt, copper, manganese, strontium, tin, titanium, and vanadium Minute traces have been found of gold, gallium, helium, iridium, lead, platinum, rubidium, and silver. In addition to these, some fourteeen other constituents have been found in meteorites, but never among the

minerals of the earth's crust. Cohenite, a carbide of iron, is one of those which seem to be conspicuous in the specimens of the Canyon Diablo meteorite. The presence of diamonds in these specimens is also noteworthy, since it has but rarely been found in these extra-terrestrial bodies.

The lightest meteorite which has been found weighed but one-sixth of an ounce and is known as the Muhlau, from the town in the vicinity of Innsbruck, Austria, near which it was picked up in 1877. The heaviest known meteorite, apart from the Arizona giant, is the Tent, or Ahnighito, to be seen in the American Museum of Natural History in New York. It is 11 feet long, 7 feet in height, and turns the scale at 36 tons, and is virtually pure iron. It was found with two others, by Admiral Peary, near Cape York, in Greenland. Noticing that the weapons and utensils of the Eskimos in the district were of a strange metal, he enquired from whence they obtained it. They replied from the "great irons" and conducted him to three dark objects partially buried in the earth. He quickly perceived they were meteorites, weighing 1,000 pounds, 3 tons, and 36 tons respectively.

Peary decided to bring them to New York, but it proved difficult and exciting work. The only way to get the three-ton mass to the ship was to ferry it from the shore on a monster ice-pan. Just as the object was nearing the ship the ice-cake began to break up. Fortunately there was enough tackle around the meteorite to prevent its loss. Peary made threee trips to Cape York, however, before he was enabled to land the 36-ton monster. That was in 1897, since when two other meteorites have been located in Mexico almost as large.

This attempt to salve the greatest of all meteorites is not only of interest to science, but

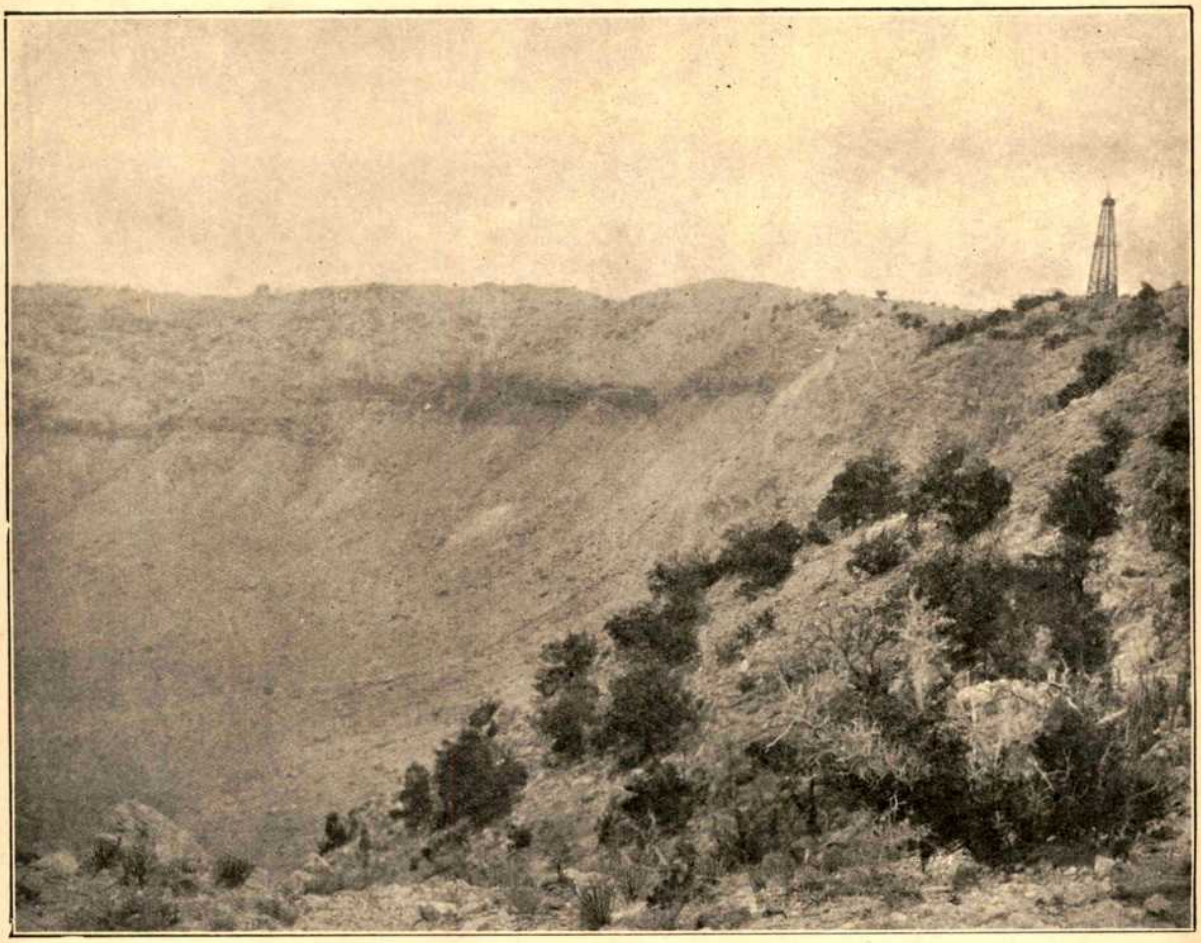


A general view of the Crater. This immense depression was made by the meteorite in the ages past when it collided with the earth.

[From Block produced by Central Process Engraving Works.

holds amazing commercial possibilities. The iron, nickel, platinum, iridium and other elements of which the mass is composed, give promise of repaying manifold the fortune expended on the singular task of locating this very tangible "celestial ghost." The work, prosecuted intermittently for twenty years, has entailed an outlay of fully £100,000, and is in reality but begun.

the hidden treasure. It presents many problems. First, there is the question of the most economical way of getting at the mass and then if it is found to be a single body can it be broken up for removal? It is tougher than the firmest armour plate ever rolled. A high-power steel projectile has no more effect upon it than a pea blown through a tube. But these are problems which one must leave to the engineers.



The derrick on the Rim from which spot a bore has ceased some 1,400 feet where the meteorite was tapped.
[From Block produced by Central Process Engraving Works.

For the past eighteen months the quest for the extra-terrestrial visitor has been carried on by means of an oil drill. Fourteen hundred feet down the bit encountered something so much harder than tempered steel that the cutting process was reversed, the tool's edges were speedily ground away, and progress perforce ceased. This is believed to be the actual meteorite. Now an additional bore is to be made at once a few hundred feet further to the south and a new and determined effort made to reach

The United States Smelting, Refining and Mining Company of Boston, a great corporation with a dividend record of £8,000,000 to its credit, is responsible for the present development through a subsidiary concern, the Crater Mining Company. It has a ninety-five years lease on the property, which is owned by the Standard Iron Company of Philadelphia. The Standard is headed by Mr. Daniel M. Barringer, lawyer, miner, geologist and student, to whom is due credit for most of the early investigation

and the learned presentation of authentic data regarding the natural marvel. His associates are mainly scientists.

The sunken meteorite is estimated to be at least 300 feet in diameter and to weigh 1,000,000 tons, and some experts who have studied the subject would double and even quadruple these figures. Its impact gouged a basin nearly four-fifths of a mile in diameter and 1,250 feet deep, which to-day has an average depth of 570 feet, a level botom of about 300 acres, and a rim 120 to 160 feet above the surrounding plain, sloping outward from 500 to 1,500 yards. Over 300,000,000 tons of stone was broken and crushed and expelled by the inconceivable pressure, and half as much more violently disturbed and displaced. On the south side, for half a mile, all the strata were vertically lifted as a mass 105 feet above their original position, turned outward nearly on edge, and so remain. The logical assumption is that the mighty actuating instrument struck slightly obliquely from a northernly direction and lodged under the enormous shelf its bulk heaved up, hence the drilling at this point. Here the cliff is perpendicular and overhanging. On the north is a gradual dip and a gap in the rim where the air rushed through after the meteorite. This corresponds in length with the south-wall uplift, beyond which lies the greatest amount of material, and the more comminuted, from the hollow.

BY-PRODUCT POSSIBILITIES.

Sharply angular fragments of all sizes, from limestone masses of 5,000 tons to sandstone reduced to an impalpable powder, constitute the material thrown out. The former are distributed principally in two " boulder fields " on the east and west slopes, the very large ones not to exceed a quarter of a mile beyond the rim while pieces weighing fifty to a few hundred pounds were hurled two miles.

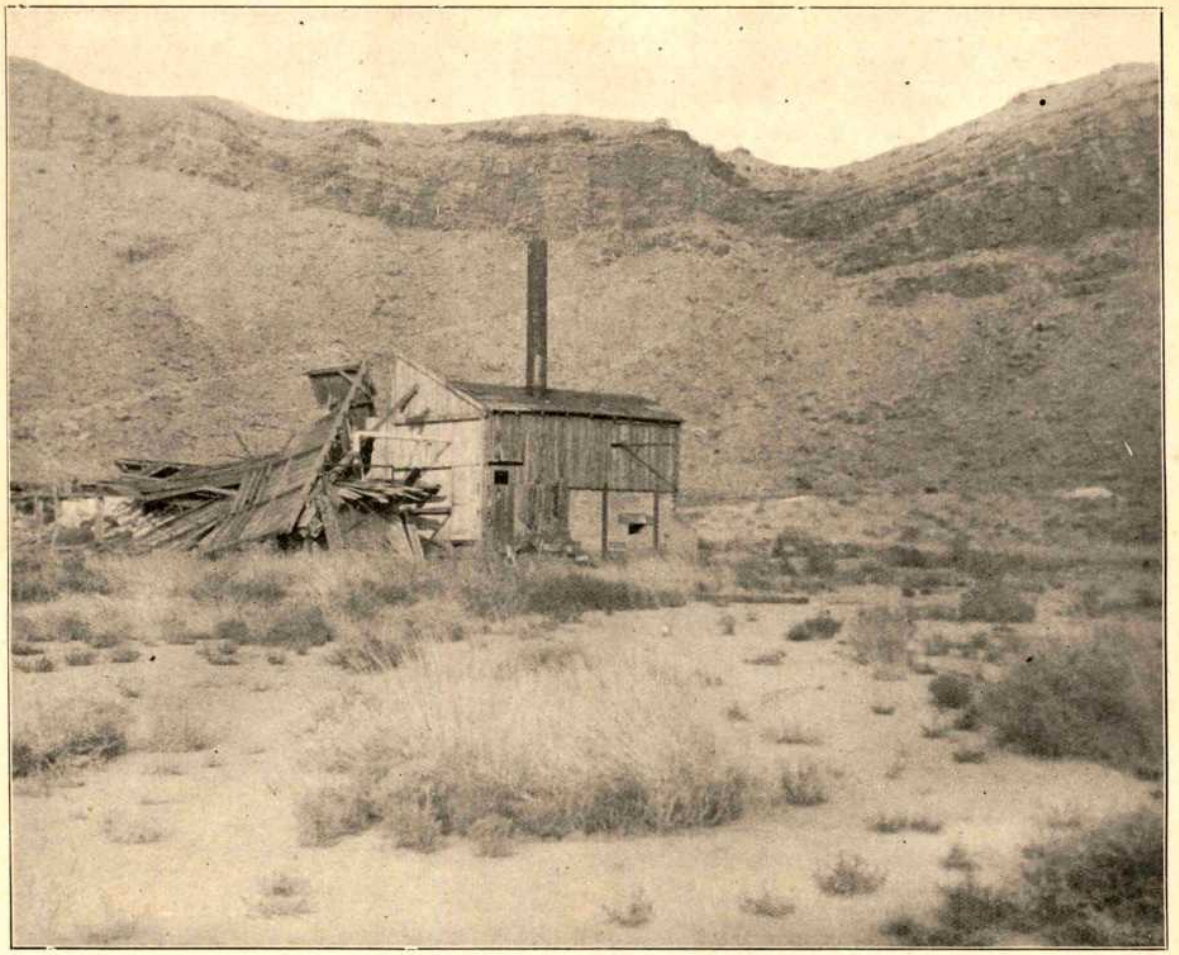
The snow-white " rock flour," so fine that it will flow through a 200-mesh screen, represents about 25 per cent., or 75,000,000 tons, of the ejectamenta, covers much of the outer slope and fills in large measure the lower portions of the bowl. Vast quantities were doubtless scattered by the severe winds of the exposed location at an altitude of 6,000 feet on the open waste. This comes from an 800-foot stratum of white, or saccharoidal sandstone, 350 feet below the surface and must have beclouded the sky for hours after the collision that pulverized even the tiniest grains. It is silica, 99⅔% per cent. pure, and will become an important item as a byproduct when developments in connection with the meteorite justify construction of a railway to the crater. The Navajos Indians regard this powdered rock as sacred and use it in connection with their sacred dances.

Within a radius of six miles of the crater, but chiefly nearby, there have been picked up more meteoric irons than on all the rest of the earth's surface. In addition to the ordinary Canyon Diablo meteorites, recognised everywhere, the area has yielded many thousands of another variety, never found elsewhere, and known as " shale balls." These are generally rounded or globular, and sometimes pear or almond-shaped, disintegrating masses of meteoric iron and nickel oxide, often with solid nickel iron centres. The shell of iron oxide or shale is due to terrestrial oxidation and not to the burning of these curious individuals in their passage through our atmosphere. The " balls " differ chemically from the common siderites in that they contain very small

Pieces of Meteorite broken off from the parent body discovered while drilling in the Crater.
[From Block produced by Central Process Engraving Works.

quantities of chlorine, absent in the latter. The largest weighed forty-odd pounds. They were recovered from the rock fragments and silica on the slopes, where they were protected from atmospheric action. Most of them have a tendency to disappear rapidly when exposed to the air. Their colouring is indescribably variegated and beautiful. Their number have prompted the suggestion that the crater may not have been made by a single giant body, but by a compact cluster or swarm of countless " shale-balls " and possibly other irons travelling together as the head, or part of the head, of a comet. In that event the metal could be readily handled, once reached.

Fifteen to twenty tons of specimens, now seldom found and usually rated at five shillings a pound, have been taken away to museums in



Original Main Shafthouse in centre of Crater, destroyed several years ago by one of the frequent Whirlwinds that sweep the depths of the pit.
[From Block produced by Central Process Engraving Works.

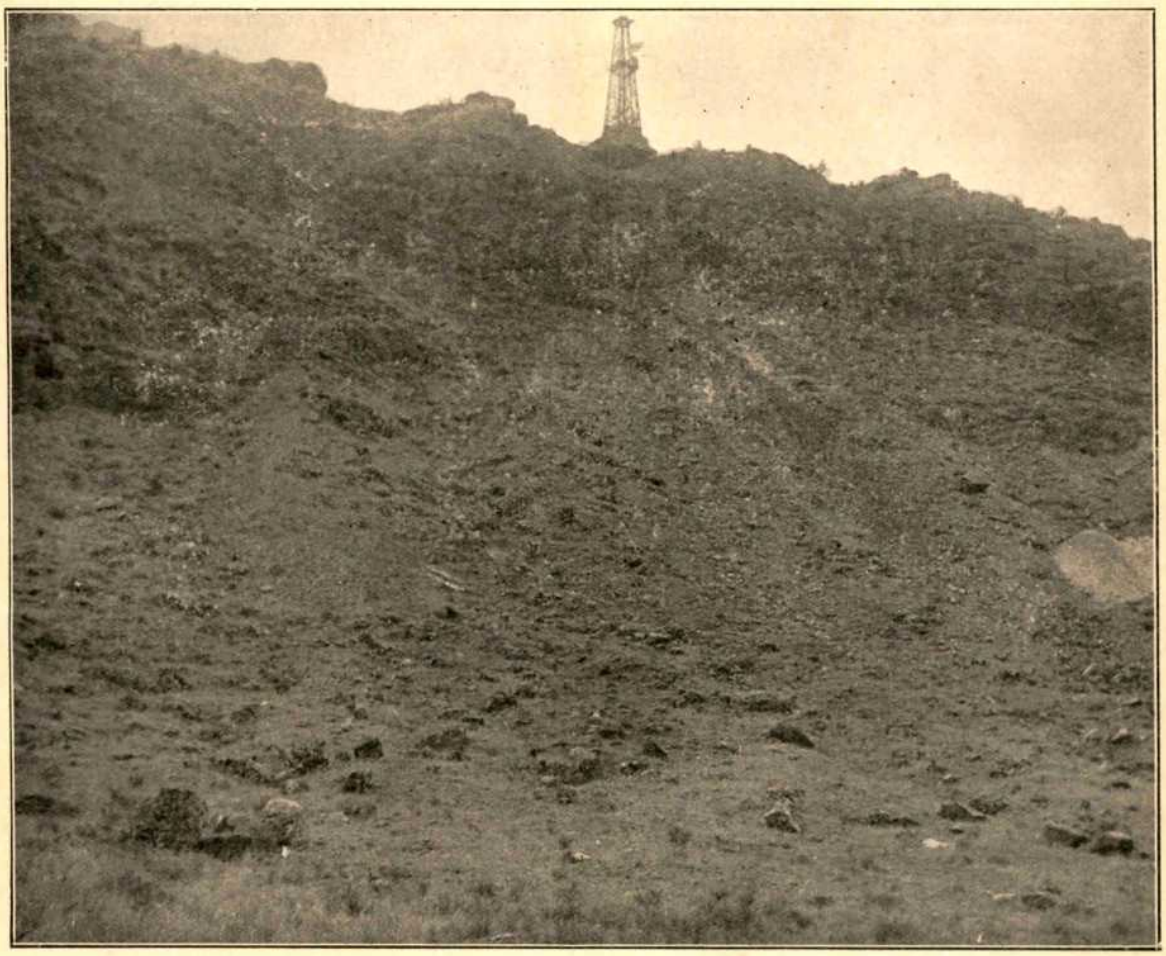
every land, and some of the more important institutions have splendid collections, but the best extant is in a little stone building perched on the bleak north rim, its roof secured against gales by steel-cable anchorage to rocks outside and heavy meteorites within. There are hundreds of irons and "shale-balls," ranging in weight from a few grains to 1,800 pounds each. A few months ago the Meteor Crater Museum was struck by lightning and a thick layer of soft mud deposited on its floor and contents. There was no rain, the surroundings were tinder-dry. The source of the mud and how such a large quantity was instantaneously transferred to the interior of a well-built structure remain unexplained.

Twenty years ago, after Mr. Barringer, Mr. Benjamin C. Tilghman and certain interested scientists had acquired the property through location under the mineral laws of the state their company did considerable exploratory work, both scientific and commercial, from the centre of the crater to the far outer slopes, with shafts, drill holes, tunnels and open cuts, and hundreds of pieces of meteoric material were encountered. Some weighed as much as fifty pounds. On the outside of the rim all were thoroughly overlaid by and admixed with the rock fragments and silica from the interior. Here deep digging was not undertaken. In the crater, where twenty-eight bores were made, some to a depth exceeding 1,000 feet below the present bottom, meteoric matter was found in all, usually only from 180 to 650 feet. A few chunks were of sufficient size to put drills out of commission and be real obstructions. Shafts had to be abandoned 200 feet down because of water and quicksand—the wet "rock flour." On the original floor was once a lake, probably caused by cloudbursts following the terrific concussion, and afterwards fed by occasional desert storms.

With the most modern equipment and methods

the Crater Mining Company has been overcoming obstacles and driving toward the hidden goal since May, 1921. Mr. L. F. S. Holland, of Los Angeles, consulting mining engineer of international experience, set the extraordinary venture under way and directed it a year. Both the outward evidence of something foreign beneath and a thorough magnetic survey pointed to the south-easterly rim as the most propitious spot and there the derrick was reared on the brink of the cliff. Expert drillers were brought from the Southern Californian oil fields. In the cavities of the split and jammed and upended strata of rock the tools were continually lost. Finally, at 350 feet, the drill turned at such an angle that it struck crosswise and could not be withdrawn. Instead of blasting out a new site, moving the rig and drilling another hole, Mr. Holland decided to drive a six-by-eight-foot tunnel from the inner slope of the crater and rescue the tools. It succeeded, and is in all likelihood a " fishing " job without parallel—making 360 feet of tunnel to get at a drill 350 feet down ! A large saving of time and money was effected. Standard or cable tools and ten-inch casing were employed the first 700 feet and a rotary drill and eight-inch pipe the remaining 700 to the point of contact with what is believed to be the prize. From this the drill recoiled with a metallic ring like a tiny hammer from a blacksmith's anvil, and came up worn smooth. It is something that man-forged metal cannot match. All the way down to it the formation was found shattered, and meteoric metal was present.

It has been calculated that the metallic body lies so far beyond the wall rim that possibly only its northern surface has been touched and this may be the reason for the reported plan to drill at a point southward, which would aid in determining its size. If this is the " daddy " meteorite and it corresponds with those heretofore found it contains 90 to 91 per cent. iron (pure,



The Derrick on the edge of the Rim, from which point the Meteorite has been reached by boring.

[From Block produced by Central Process Engraving Works.

not ore) of fine quality; 8 per cent. nickel, worth about 3s. per pound; 1 ounce of platinum, worth about £22 to each five tons; a small percentage of iridium, even more valuable, and microscopic diamonds. Many competent geologists are of the opinion that the meteorite will yield gems—black, colourless and yellow—of unprecedented size, quality, and value and will prove to be the richest single treasure ever unearthed. Be that as it may, the value of the mass can be accepted at £10 per ton. Should it weigh but one-thousandth of the 300,000,000 tons of rock it scattered, or 300,000 tons, its value would be £3,000,000. Were its weight 1,000,000 tons it would mean £10,000,000. It may represent a hundred millions. The prospect is at once staggering and alluring.

THE NAVAJO LEGEND.

The Navajo Indians account for the crater with a graphic and significant legend that is partly borne out, or bears out, the white man's findings. Longer ago than can be reckoned, old Brown Hawk Wing told one of the writers in Winslow, which only lies eighteen miles from the crater, three of his people's gods seeking endless repose rode down from the stars on roaring clouds of blue flame spreading farther than eye could see, alighted amid thunder that shook the mountains and threw the rock to the winds as dust and buried themselves in the plain. In the "heap big digum" slumbers the chief of these and must never be disturbed. "Bad luck sure killum" any who breaks his rest.

Within six miles of the crater passes the Atchison, Topeka and Santa Fe Railway and passengers can easily detect the tall derrick on its elevated rim. It is in fact a landmark for twenty miles round. Most railway passengers jump to the conclusion that the presence of the derrick means that someone is boring for oil and declare it to be "another wild cat scheme," little dreaming that a romance of the universe may be in the writing on that mystic skyline. But those who do visit the pit and realise what is going on come away astounded.

But it is a weird and awful spot. It is three miles round the crater on the rim. To go in and out of the bowl is like steep mountain-climbing on rough zigzag trails. In winter the snow flies and in summer the interior is little less hot than Death Valley. The place is infested with rattlesnakes of the deadly little horned variety, the sidewinder, a night prowler of vicious temper that can strike without coiling, simply arching his neck. Thousands of rats of a local kind live in the rock crevices and of these the drill sometimes brought up still quivering pieces. Golden eagles and ravens nest on the cliffs, which only wings can reach. Cottontail rabbits skitter over the bottom. Lynxes have been trapped in the derrick. A herd of 200 antelope comes within a few hundred yards of the camp. Vegetation is sparse but on the south rim, within and without, grow stunted juniper and pinon trees.

BROWN HAWK WING,
the Najaro who relates his people's graphic legend accounting for the world wonder in the Arizona desert.

[From Block produced by Central Process Engraving Works.

The country is one of terrifying electrical disturbances which at times necessitate suspension of work. The meteoric irons are magnetic, but their poles so crisscrossed that they affect the needle little unless broken up. Locally it is believed they attract lightning. Such is Meteor Crater, the scene to-day of a decidedly original treasure hunt.

"Success Qualities."

V.—SYSTEM.

By F. J. LAMBERT, A.C.I.S., Cert.A.I.B.

This is the fifth of a series of articles describing the various qualifications which fit a young man for success in a business career. Smartnesss of Manner and of Mind, Accuracy, and Character have already been dealt with, and in the present article the writer discusses the importance of System and Method.

"BY his desk you shall know him" is a saying which might well be applied in the sense that the appearance of a man's desk gives the clue to the presence or absence of a quality which is very important in business, the quality, that is, of System.

System may be defined roughly as an aptitude for doing things in an orderly and systematic manner This is not the same as Accuracy, for a man may be accurate without being in the least systematic. On the other hand, it does not in any way indicate a knowledge of any special office methods or systems, for a man may be naturally systematic without ever having been near an office

There is at least one way of doing any piece of work which is the natural, logical, orderly way of doing it, and there are many other ways of doing it which are not orderly. Orderly means "in the right order," and so work which is systematic is that which is done in the right order and is also placed in the right order in regard to other similar items of work.

SORTING THE COLOURS.

A simple illustration will make this clear. If a child is given a pile of coloured cards and told to sort them out according to their colours, he will probably go through the pile and pick out the red cards, then repeat the process to pick out the blue cards and so on until all the cards have been sorted. That would not be systematic because it would not be done "in the right order," *i.e.*, in the order which enables the work to be done in the most accurate manner in the shortest possible time. The systematic man would take one card of each colour and place it separately on the table before him. He would then go through the pile only once and sort each card as he came to it by placing on its respective pile according to its colour. As the saving of time in dealing with a large number of cards would be considerable, it is obvious that his method would be the most systematic one.

This example clearly illustrates the essential principle of System. When it is explained, it seems very simple and obvious; one is, in fact, tempted to suggest that it is hardly worth writing an article about. Far from this being the case, the really systematic habit of mind is much more uncommon than most would suppose, in spite of the fact that it is obsolutely essential to the efficient conduct of almost any kind of office work Further, it is a quality which is of considerable interest to the employer, for its presence in his staff means a radical saving in time and, therefore, in office cost. It is indeed no exaggeration to say that the adoption of the right method instead of the wrong one very generally means a 50% cut in the time required, quite apart from the less tangible, but no less real, increase in efficiency.

A CARD TEST FOR APPLICANTS.

Lest the reader should feel that too much importance is being placed on the adoption of systematic methods, it may not be out of place to give a further illustration from the writer's own experience In order to discover what systematic qualities were possessed by applicants for junior clerical positions, this test was always set. The applicant was given a batch of cards and was told to make a list of the names given on the cards. The systematic method of doing it was obviously to turn each card over, face downwards, after the name had been copied on to the list, so that, at the end, the batch of cards would still be in alphabetical order. It was not unusual, however, to find that the applicant, instead of doing this, had moved each card after copying and placed it *face upwards* on another pile, with the result that the cards were finally in *reverse* alphabetical order and required re-sorting before they could be filed away.

A QUALIFICATION FOR PROMOTION.

Thus, in this most elementary test of systematic habits, there were many who failed to come through successfully. More generally, too, the writer has found again and again an absolute absence of any real Systematic Sense amongst staff, whether their work concerned stock-keeping or despatching, cash or accounts, filing or statistical records Yet in all these branches of office work, there is constant scope for the exercise of systematic methods.

An orderly habit of mind makes a man a more useful unit of the office mechanism, and it makes him more valuable, in a definite pecuniary sense, to his employer; it gives him a greater chance of promotion, for it is an essential qualification of any department head; and it prepares the way for future days when he may be responsible himself for general office organisation, where, of course, a sound sense of system is vital.

There are then several very good reasons why every young man whose career is likely to be in an office should take pains to develop to the very utmost this quality of System.

LOGICAL SEQUENCE—WHAT IS IT?

The man who possesses this quality is one whose mind is so trained that it automatically thinks on sound logical lines, with an almost instinctive sense of what is the natural order or sequence. For example, there is on a man's desk a pile of papers, letters, etc , representing arrears of work. One way of tackling the arrears is to take the first paper or letter and deal with it, then dispose of the next in the pile, and so on. This may appear to be the logical and orderly way of doing the work, but a little thought will show that it is not. The systematic way is to run fairly quickly through the pile, glancing at each item long enough to grasp its subject matter and then sorting it according to its nature and urgency. Some items will at once be seen to require immediate attention, some less urgent and of a complicated nature will be placed temporarily on one side, some can be dealt with in a minute or so, *e.g.*, by being passed forward for the attention of others or for filing; while some ought to be left over until the rest are disposed of.

This seems obvious enough when it is set down, but it was *not* so obvious before, and, in fact, it would be the wrong way which would often be adopted, even by experienced executives. The whole point is that the second method is the one that occurs to the orderly mind because it is the one that disposes of the greater part of the job in the quickest time, and in addition deals with the various items *in their logical sequence.* (Note that this is *not* the sequence in which the papers lay on the pile)

INKSTAND OR DEPARTMENT.

Illustrations of this kind could be multiplied indefinitely, but this should suffice to indicate what is meant by Logical Sequence. The principle remains the same, whatever kind of office work may be in question There is one best way for a clerk to collate several pieces of literature, fold them, and insert them in an envelope, and there is similarly one systematic way for a manager to organise a staff of clerks on the same work so that each clerk does only one process of the several just mentioned.

The departments of an office can be planned in logical order, in exactly the same way as can the implements and papers on a desk. In both cases the test is " What is the logical place for each item (whether it be an inkstand or a department) in relation to all the other items? " The office should be arranged in such a way that the orders, or whatever are the chief matters dealt with, pass forward from one department to the next, without having to go backward or forward, upstairs and down, as is so often the case in badly planned offices. Similarly the desk should be arranged so that inkstand and pen, memo pad and blotter, paper, pins, incoming papers, outgoing matter, are all given—and kept in—the places which are most suitable to their various uses

WHAT YOUR DESK TELLS ABOUT YOU.

It may be asked why so much importance is attached to the apparently small point of the orderliness of the desk There are several reasons. In the first place, an untidy desk inevitably results in a lowered standard of work. No one can work efficiently if things are in a muddle, papers cannot be found, and figures or facts to which reference should be made are not available. Work, particularly if it is in any way " creative," is not done thoroughly, important points are overlooked, and wrong figures are assumed.

Secondly, untidy desk arrangements mean slower work and therefore increased office cost. Unsystematic workers would be amazed if they knew exactly how many hours they lose in the aggregate through having constantly to waste valuable minutes in looking for this article or hunting for that paper. We all laugh at the old man who spent an hour searching for the spectacles which all the time were on his nose, but I am not sure that some of us are not equally laughable in our office habits.

A third point which should by no means be ignored, particularly by young men with their future before them, is that the condition of a man's desk betrays his mental habits, and it is a " character indication " which is quickly noted by the capable employer. It is, in fact, not too

Continued on p. 286

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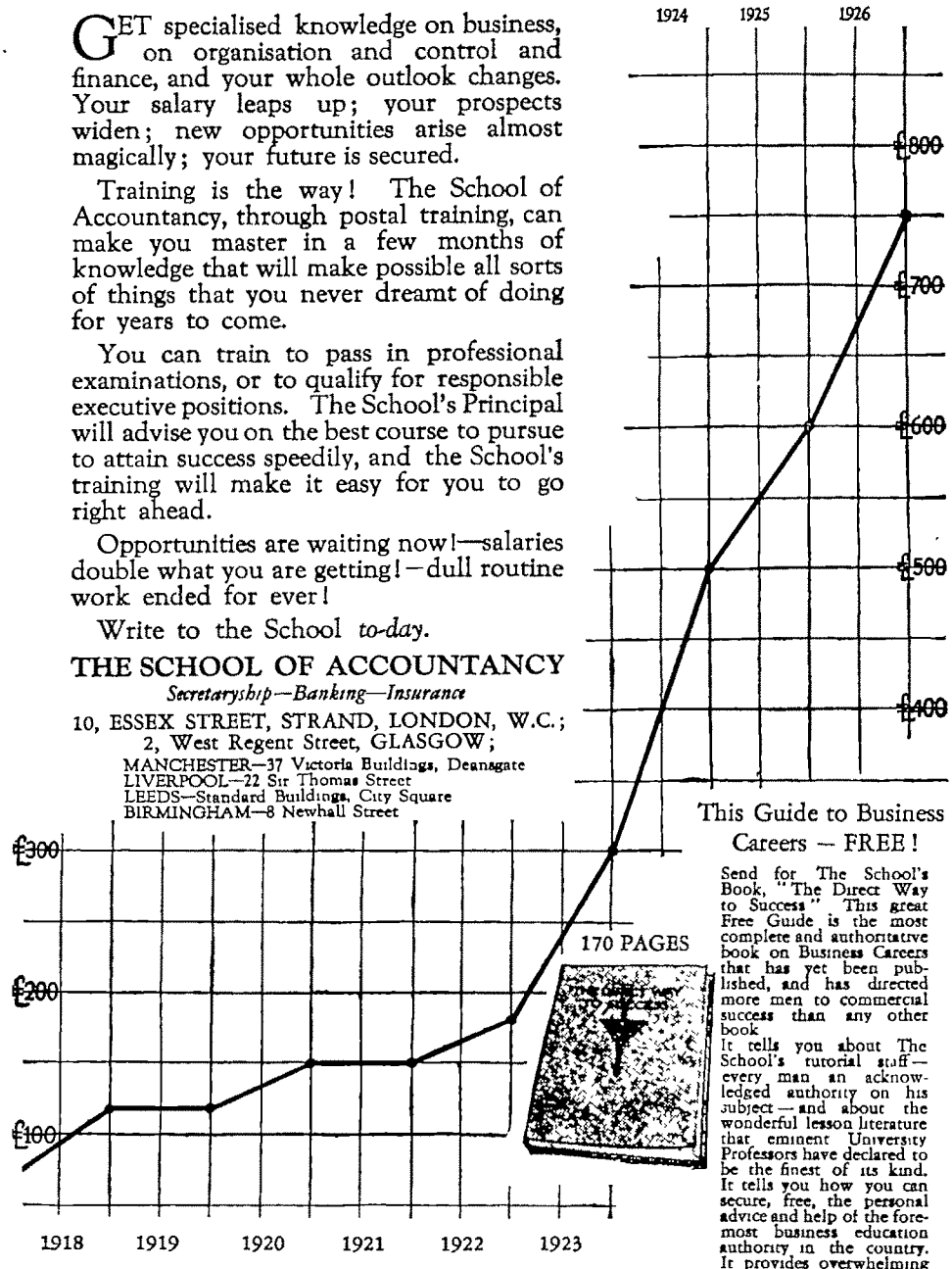

* This salary curve (and all others in this series) is an actual record of a School of Accountancy student. Training resulted in immediate big increase of salary and progress followed swiftly. Certified genuine by David Paterson, Chartered Accountant, Glasgow.

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much to say that the systematic workers of an office can be picked out by an inspection of their desks during the working hours.

Resolve then to re-organise your desk arrangements forthwith, and for the future to " keep the decks clear for action." It will be well worth your while.

THE PRACTICAL APPLICATION.

How can this quality of System be acquired? The first essential is to get a clear idea of its meaning. This has already been stated and illustrated at length, because it is quite useless to endeavour to show System in one's habits if it is in fact regarded as a vague sort of quality to be taken up haphazardly like a new fad. It is vital to realise that System is essentially the result of a right attitude of mind which automatically thinks on logical, orderly lines

To develop the quality, then, you must train your mind to be constantly on the alert to discover the most logical order for doing things or keeping things or arranging things. There is scope for improvement on these lines in even the most routine work, and to find better ways of doing it adds interest and dispels the monotony. Even if you are only sorting hundreds of index cards into alphabetical order, you can find a better way of doing it than sorting out into the whole alphabet at one time. The better way is to sort first into four sections, *e g.*, A-C, D-H, I-R and S-Z, and then to sort each section strictly, and this will be found to be both quicker and easier in the end.

Go in for orderliness in all things. Keep your desk and your papers in order. Have a place for everything and everything in its place. Set about each item of work in an ordered fashion, and learn to think in logical sequence. Be on the look out for new and more systematic ways of doing things, even if you have done them hundreds of times before in the old fixed way. Apply the simple logic of System to every office problem that arises and you will soon find a new sense of mastery growing upon you, as you realise that your solutions are right ones, because they are based on right thinking.

One last word of warning. Do not make System your god to worship. Rather temper it with commonsense, knowing that every good thing loses its worth if it is taken to the extreme. And remember that although it may be good to apply the rules of sound system to every office difficulty, there are times when it is not expedient to do so. Otherwise you will be in danger of catching the complaint of the Government Department, and spoiling your virtue with a vice For a Government Department is a perfect example of System run to seed.

Next month's Ambition Study, " Originality."

Have You Earned a Rise Yet ?

By **NORMAN TIPTAFT.**

THERE is a widespread belief in some folk's minds that the mere lapse of time entitles them to more money. They think rises should be automatic, instead of dependent on increased capacity. That theory may be all right for Government departments, it's no use in business.

Rates, Taxes, general overhead expenses go up anyhow. The only warrant for an increase in salary is a capacity to demonstrate to your employer that you are able to offset these things by a bigger earning capacity—for him as well as yourself.

Because you are a year older than you were, because you have undertaken new family responsibilities, because you'd *like* a rise—these things are no argument.

Are you worth more? Do you produce more? Can your place be filled by someone else at a less wage? If it can, you'd better get a move on, or it may be.

Employers everywhere are anxious to find the man and woman, particularly the young man and woman who can ask a high salary *and earn it.* There are plenty who can do the former The ranks of the latter are not by any means overcrowded.

There is, of course, the mean employer just as there is the slack employee If you belong to the willing-to-work-all-hours-the-good-Lord-sends class and happen unfortunately to be hitched up to an employer who doesn't appreciate it—get out. Only be sure you *do* belong to that class first—there are not many employers so foolish as to lose competent help when they once get it.

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Is Britain's Problem a Selling Problem?

By CUNLIFFE L. BOLLING,
Author of "Commercial Management," "Sales Management," etc.

In this provocative article Mr. Bolling replies to the Government's criticism of the British Manufacturers' and Producers' export policy, and suggests that the Government itself is largely to blame for the fact that Britain finds it difficult to retain many of her overseas customers.

"BRITAIN'S Problem is a Selling Problem" is a phrase coined by supporters of the present government and used repeatedly by politicians and government officials in addressing meetings of business men or gatherings at public functions.

Behind the use of this phrase there is the insinuation that the unsatisfactory state of British trade—and particularly British overseas trade—during the past few years has been due to the lack of sales ability on the part of British business men.

Indeed I have heard several prominent public speakers, who could be regarded as mouthpieces of the government, entertain meetings of important professional societies and trade associations with a diatribe against British business men in general and exporters in particular.

BLAMING THE TRADER.

These unfortunate traders are accused of adhering blindly to an export policy that a schoolboy would condemn. Among other things, they are said to be attempting to force down the throat of the overseas buyer goods obviously unsuited to him; refusing to quote on any terms other than ex works or f.o.b. at a British port, although the overseas buyer demands c.i.f. or delivered quotations; endeavouring to export goods without advertising overseas or sending salesmen abroad; and shipping ill-chosen consignments of goods to nondescript foreign agents in a fitful and haphazard fashion instead of building up regular channels of distribution by the employment of responsible foreign representatives.

Now I am quite prepared to admit that there are firms guilty of these mistakes, for I know many of them, but I also know that these firms are not typical or representative British exporters.

They only constitute a small minority and in many cases their half hearted participation in overseas trade is due to the fact that circumstances beyond their control make it almost impossible for them to engage in exporting at all.

In view of this obvious bias in the Government's attitude, British business men will do well to consider the matter from a detached and impartial standpoint and find out whether or not the Government's criticism of the British business man is justified.

CRITICISING THE CRITIC.

The importance to be attached to criticism always depends on the identity of the critic, and it will therefore be interesting to see just who this Government fellow is in relation to the business man.

Some of us look upon the Government fellow as an "old man of the sea" securely fastened to the back of every British trader.

He does no productive work and he puts no money into the business, but he takes one-fifth of all the profits (4/- in the £ income tax). Furthermore, he is a dissatisfied and quarrelsome sleeping partner who calls for his share of the profits at the most difficult time of the year and will press for payment in a "harsh and unconscionable" manner that would shame a moneylender.

He will not bear any proportion of the reserves made to meet contingencies—not even reserves against bad debts.

He dips his hands into the workers' pay envelopes and snatches sums that are substantial to the victims. This direct taxation takes away the worker's chance to save money and gain that peace of mind that comes from financial stability, so that it is small wonder that he sometimes becomes reckless and loses all interest in his work.

WHO IS THE SPENDTHRIFT?

If this Government fellow can be said to occupy any active position in industry it is surely that of chief spender, for he spends the sum of £800,000,000 a year and forces the traders and their customers and employees to supply the money.

And it must be admitted that there is comparatively little to show for this expenditure. A great deal of the money goes to pay an army of lazy and inefficient bureaucrats and pettifoggers who spend their time harassing and spying on the traders and their customers and employees and enforcing stupid restrictions that hinder the trade of the country and drive away visitors who are potential buyers.

Another substantial proportion goes to pay the war debt to the United States, upon the basis of a settlement that was made in a rash and high-handed manner without any consideration for the men who had to find the money. Some of the money goes to finance swashbuckling expeditions and foolhardy adventures in various parts of the world, operations that hinder commercial relations with important overseas customers and threaten to embroil the nation in small but troublesome wars.

WHO IS THE BAD MANAGER?

The Government fellow has secured control of the post office, the telephone, the railways and many other services used by the trader, and he has made them all inefficient.

He has allowed the municipal administration of the country to fall into the hands of a horde of local busybodies, cranks and Bolsheviks who mismanage local affairs and by doing so add high rates to the traders' burdens.

He has created a great army of work-shy unemployables who live on doles and poor law reliefs at the expense of the trader and his employees and spend their time spreading discontent and class hatred among the workers of the country.

He has allowed the trade unions to fall into the hands of foreign-controlled fanatics, and permits them to encourage ca' canny and go slow movements among the traders' employees and to prevent a good man from working if by doing so he interferes with their schemes.

He has interfered in industrial disputes and prolonged them by so doing, because his policy of taking the line of least resistance has encouraged agitators to declare strikes that would otherwise have been unthought of and to continue strikes after all hope of an extremist victory had evaporated.

It may be too much to say that the slogan " Britain's problem is a selling problem " was invented by the government fellow in an attempt to evade responsibility for the effects of his stranglehold upon trade, but the trader is certainly entitled to say, in retaliation, " Britain's problem is a Government one."

THE BRITISH TRADER'S ACHIEVEMENT.

The wonder is not so much that British traders have lost a few of their markets, but that they have retained the most important ones and " carried on."

Many of them have prospered exceedingly and the year 1927 promises to be a good one for British business in general, but all this is in spite of, and not because of, the government's policy in regard to commerce.

The Government is still placing new burdens upon the trader, and the dawn of 1927 signalised the coming into force of a bunch of new " red tape " Acts of Parliament restricting the commerce of the country, increasing the business-destroying power of the Civil Service and moving the nation a step nearer to that socialistic dream-State that, if realised, means nationalisation, general poverty and the death of initiative and private enterprise Worse still, the Chancellor of the Exchequer is hinting at increased taxation.

At the moment Britain is a fine place for cranks, Bolsheviks, workshies, busybodies and self-advertising politicians, but it is no place for the headquarters of an international trading company.

This is the root of the whole trouble.

If you were about to manufacture a new article and market it throughout the world and you had a choice of all countries for your factory, you would certainly not place that factory in Britain, under present conditions.

If you were a British manufacturer and you found a good market for your products in some overseas country, you would erect a factory in that country if possible, rather than make your goods here and export them.

Transacting business from Britain means contributing towards the British Government's extravagance in several direct ways and hundreds of indirect ways, and submitting to continual interference from the many Civil Service and municipal officers authorised to harass traders.

Because of this, the largest traders don't do it. Whatever their nationality may be they transact their international business from the country that is most kind to traders, for the great trading concerns have to be international and they cannot allow patriotism or sentiment to strangle their business.

WHY BIG BUSINESS GOES ABROAD.

If Britain was a country fit for international traders to work in you would not find British

business men taking their brains, capital and skilled employees to foreign countries—notably the U.S.A.—and establishing their factories there.

If conditions here were even a little more favourable to international traders, the great American companies would transact their European business from Britain, make their goods for Europe in Britain or send their goods in bulk to London and finish them here for European markets, for nature made Britain a unique centre for commercial enterprise.

As it is, they dump in this country only sufficient goods to meet the local demands and they maintain the minimum organisation possible here

If British taxation were lower than United States taxation and working conditions were better here, the great trading corporations of the world would manufacture here and export to the United States instead of manufacturing in the United States and dumping here.

BETTER TIMES ARE AT HAND.

It must not be imagined for one moment that the present situation is a permanent one or that the British nation, with its vast resources and sound economic basis, cannot weather a few years of storm and depression. The situation can only be a temporary one, because sooner or later the Government will be forced to reverse its policy towards traders.

Income tax will have to come down, government expenditure will have to be curtailed, the power of the Civil Service will have to be curbed, the great public services will have to be handed back to private enterprise, the trade unions will have to be reformed, the poor law will have to be changed, the system of municipal government will have to be modernised, the Government will have to stop creating dear money conditions by its financial policy, and politicians will have to invite business men to lead the way out of the quagmire of depression into the vale of prosperity.

As is always the case with such matters, the pendulum will swing back and we shall find the Government, in self protection, embarking on a " be kind to traders " campaign

The pendulum would have swung back months ago if it had not been for the fact that the rank and file of British business men take such little interest in the affairs of the nation as a whole.

They grumble at the high taxation but submit to it pacifically, possibly because they do not appreciate its far reaching effect.

Many of them say, " Well, I suppose I ought to be thankful that I have profits to pay tax on," looking upon this taxation as a sacrifice of part of their net profits.

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TAXATION INCREASES COSTS.

They do not realise that taxation is a substantial proportion of the cost of British made goods: that every time they buy British made raw materials or manufactured articles they have to contribute to the vendor's share of the Government extravagance: that every time they employ a man or woman they have to bear his or her burden of taxation and that every time they use electricity, gas, water, railways, docks, canals or carriers they have to contribute a further sum to the revenue.

The business man operating in the British Isles has to grin and bear this burden, but the overseas buyer does not, because if British taxation makes British goods more expensive than comparable goods produced elsewhere, the overseas buyer need not buy them.

I hope that this article will help to open the eyes of British traders to the real nature of the handicap they are under and hasten the long overdue change in the Government's policy

Traders may rest assured that so long as they remain apathetic and "grin and bear" the burdens inflicted upon them, the Government will continue to add fresh burdens.

The civil servants, the Bolsheviks, the workshies and the busybodies are all organised to extract concessions from the government, and so long as business men are unorganised and passive the Government will continue to take the line of least resistance and placate the civil servant and the agitator at the expense of the business man.

BRITISH TRADERS SHOULD ORGANISE.

Britain needs a national association of business men with a powerful central organisation and "live" local chambers of commerce in every part of the country The problem of Government extravagance and intereference is one that cannot be solved by individual traders.

On the other hand, Britain's selling problems are not national problems but problems of individual traders, and every trader must solve his own problems.

The Editor has invited me to contribute a series of articles on sales organisation entitled "Commonsense methods of Business Building" and commencing with next month's issue of "Business Organisation and Management."

This series will give me an opportunity of dealing with the sales problems that are most frequently encountered and I trust that I shall be able to give some practical assistance to those readers who have selling problems to solve.

Your Editor invites those who differ from Mr Bolling to "go for" him The more valuable criticisms will be published —

EDITOR, *B O M.*

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B O M

Progress and Prospects in Newfoundland.

By CAPTAIN VICTOR GORDON, C.M.G.
(High Commissioner for Newfoundland).

Since the beginning of the twentieth century the economic progress of Newfoundland has been remarkable. New industries have been successfully established, and widespread interest in the island's various resources has been aroused. And it is no wild dream to believe that her commercial and industrial development in the immediate future will be more rapid than at any period in her past history.

EVER since the discovery of the island in 1497, Newfoundland has been famous for her codfishing industry. It is the foundation upon which her prosperity has been built, and through the products of her fisheries she enjoys a merited and world-wide renown. But this specialisation has had one disadvantage. It has in the past led to the neglect of her other resources. Fortunately, a broader policy is now realised as essential to her future progress and prosperity. Indicative of this wider outlook are the increasing interest which is being taken in her natural resources and the efforts which are being made to secure their full utilisation. That the colony possesses splendid natural resources has been proved, and if all the development plans which are now contemplated mature — as they certainly should—Newfoundland's commercial importance and prestige will be immeasurably enhanced.

One of the latest projects under consideration is a scheme for the conversion of Mortier Bay into an entrepôt port. It is well known that for some time there has been great dissatisfaction with the present system of transporting goods from the Great Lakes to New York for shipment abroad. Delays on the railways are an everyday occurrence and heavy expenses are also incurred by the congestion at the port of New York. Advantage of this state of affairs has been taken to promote a scheme for the shipment of cargo from the Great Lakes, via the St. Lawrence, to Mortier Bay. The small steamers which would act as carriers for this purpose (the St. Lawrence not being navigable by vessels of large tonnage) would unload at Mortier Bay, and the freight would be transhipped thence to ocean-going steamers bound for Europe and South America. As the St. Lawrence is only open for navigation between April and November, enough cargo would have to be shipped to Mortier Bay to supply the port for a year. Provision has accordingly been made for grazing and fattening livestock on a large tract of land near the entrepôt.

The promoter of this scheme is an Englishman, Mr. H. C. Thomson. Ample concessions have been secured from the Newfoundland Government, and the plan is supported by the Newfoundland Board of Trade and the Detroit Board of Trade. An initial expenditure of £1,000,000 is proposed to meet the cost of constructing sheds and piers at Mortier Bay.

The proposed route has many advantages. It is quicker and cheaper than the existing one. The distance from Detroit to Liverpool, via New York, is 4,126 miles, and via the St. Lawrence 3,721 miles. There is thus a saving of 405 miles in this particular instance. Further, Newfoundland is admirably situated as a half-way house in the Atlantic, being only 1,640 miles from Ireland, less than 2,000 miles from England and France, and only 2,165 miles from Norway. Mortier Bay, which is situated in Placentia Bay, is one of the finest harbours in the world, and the danger from fog to ships plying between there and the Great Lakes, or in any other direction, would be negligible. The progress of the scheme is naturally being watched with great interest by shippers in New York and Detroit, and, it is believed, by Mr. Henry Ford. Its successful fruition would be of inestimable advantage to the Empire's oldest colony.

Developments are now taking place in the pulp and paper industry of the country. This industry was established in 1909, and the mills at Grand Falls, Bishop's Falls and Corner Brook have added materially to the wealth of the island. The erection of pulp and paper mills is also contemplated in other parts of the island, such as Humbermouth, Orange Bay, Hampden, Alexander Bay, and Gander Bay. These projects will entail the extensive development of hydro-electric power, and will divert the energies of a portion of the population from the fisheries to the ex-

ploitation of the colony's timber and water-power resources. It is also hoped that agriculture will thereby be further stimulated.

Lumbering in Newfoundland began with the construction of the railway thirty-five years ago, and numerous sawmills are to be found in various parts of the island. Most of the timber that is cut is used locally, but in recent years a large export trade in pitprops has been created. In 1922 Newfoundland sent nearly 30,000 loads of pit-props to the Bristol Channel ports. This total was only exceeded by the imports from France, Portugal, and Finland. There is no reason why the hardwoods, such as yellow birch, tamarack, and ash, should not be converted into spools and bobbins for use in the North American textile industries.

Owing to climatic reasons, Newfoundland is not a grain-producing country, but its agricultural possibilities merit more attention than they have received in the past. It has been abundantly proved that the soil is suitable for hay, oats, potatoes, turnips, and other root-crops, and tens of thousands of acres of land in the more fertile districts await cultivation. Stock-raising and sheep-farming probably offer the best opening for settlers with capital, the local demand for cattle and other livestock greatly exceeding the supply. A considerable number of ponies are bred on the island, and the stock is exceedingly hardy. In recent years pure-bred cattle, horses, sheep, and swine have been imported by the Department of Agriculture. Poultry-farming is a branch that has only been attempted in a small way, although the local demand for poultry is constant and growing. Fruit-growing is receiving increasing attention, especially on the west coast, and plentiful yields of strawberries, raspberries, plums, and other garden fruits are obtained. It is worthy of mention that the short-

Schooners in St. John's Harbour.

ness of the producing season is amply compensated by the rapid growth of all kinds of vegetation and the fine flavour of the edible crops.

To capitalists, investors, and firms requiring minerals Newfoundland offers an attractive field for investigation. Traces of practically every known metallic substance have been discovered in the island, but few efforts have so far been made systematically to exploit the various ores, although the aggregate of small sums spent by private individuals during the last fifty years would amount to a very large total. If all this money had been expended judiciously, under the direction of an expert mining engineer, many of the mineral-bearing districts would probably be to-day populous mining centres. Such prospecting work as has been done has been confined to the coastline, and the mineral resources of the interior of the country are still unknown. That a prosperous mining industry could be established in the island cannot be doubted. Not only are the ores known to exist, but the geographical

A Good Catch.

position of Newfoundland is such that markets could be readily secured both in North America and Europe. Further, as most of the deposits are found on the coast, the cost of transportation would be cheap. The ores, too, are of sufficiently high grade to ensure profitable working, and the deposits extensive enough to furnish large outputs. Abundant water-power is also available in every mineral-bearing area.

sixteen imperial gallons to a ton, and it is probable that the main deposit, which is found in the Deer Lake district, will be developed at some time in the future. In the Wabana property on Bell Island, in Conception Bay, Newfoundland, possesses the third largest hematite deposit in the world. The ore from this mine is used in Canada, the United Kingdom, and Germany. Other occurrences of hematite ores have been

Typical Fishing Village.

The main ore deposits so far located are coal, oil shales, iron, copper, lead pyrites, chromite, manganese, and molybdenite. The coal measures are found on the west coast, and it is estimated that some two million tons could be mined. There are extensive beds of oil shales, the total area of which is approximately 500 square miles. Some of the beds, on distillation, have yielded

noted on the shores of Conception Bay, in Placentia Bay, and Notre Dame Bay, and some of them are well worth investigation.

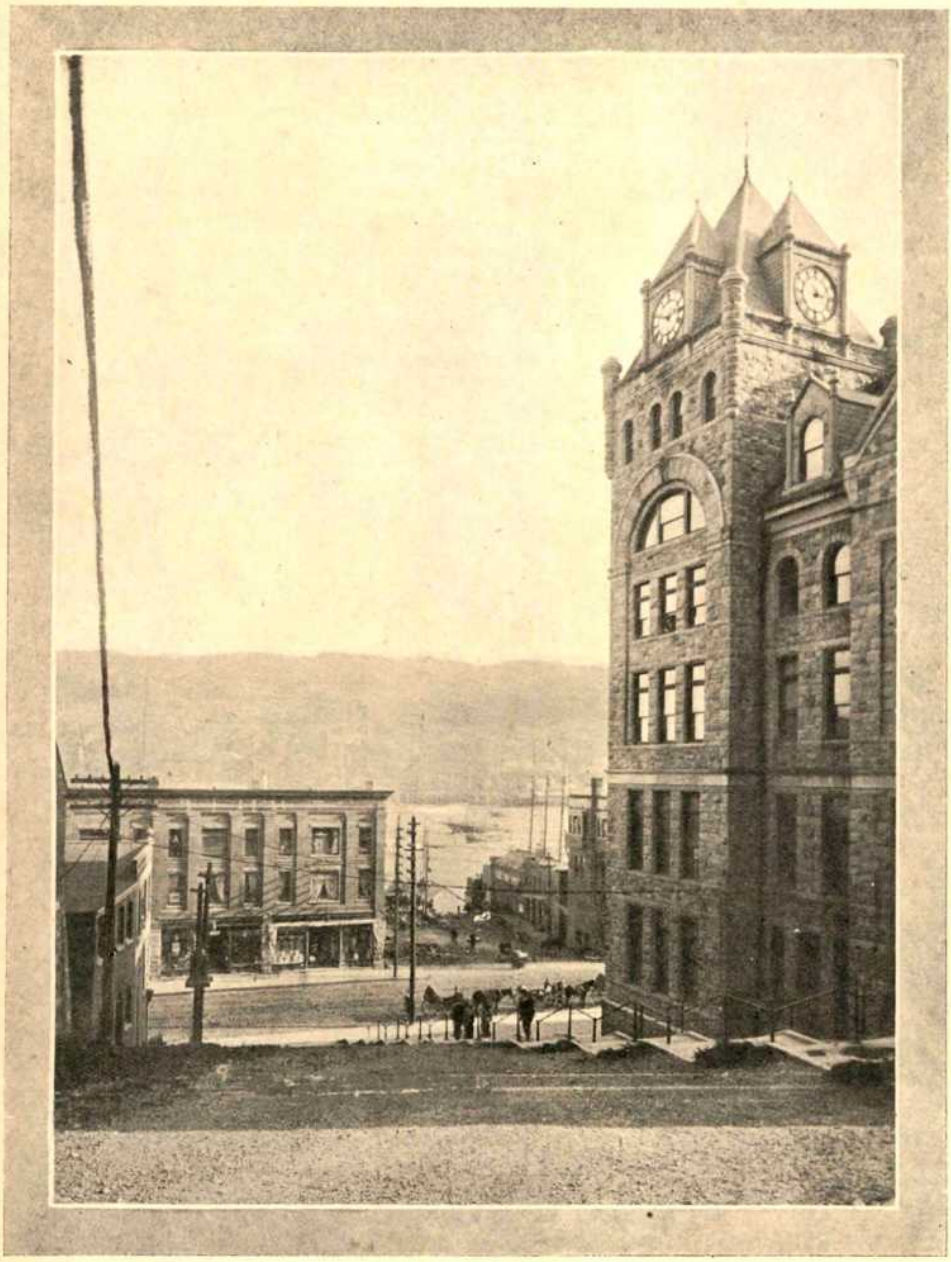
The copper-mining industry has been at a standstill since 1918. In the past, large tonnages have been shipped from the Notre Dame district, and at the present time renewed interest is being taken in the possibilities of developing the copper

resources of the island. The principal copper areas are Notre Dame Bay, the districts between Bay of Islands and Bonee Bay, and Placentia Bay. With the introduction of modern methods of mechanical concentration there is no doubt that a large number of the mines which are now closed down could be reopened.

The principal silver-lead district is Placentia Bay, but the mineral also occurs in Notre Dame Bay and on the west coast. In Placentia Bay local capital is exploiting a profitable vein of ore containing lead, zinc, silver, and gold. Most of the deposits are of sufficient thickness and of extent to warrant investigation.

Deposits of pyrites are found in Notre Dame Bay and Bay of Islands, and as the local pulp and paper industry develops, the market for these ores will be assured. None of the deposits is being worked at present.

Chrome ores occur on the west coast, and as investigation has shown that chrome iron, containing fifty per cent. of sesquioxide of chromium,



Court House and Harbour St. John's.

can be produced, it is certain that in the future the chrome areas of Newfoundland will be of considerable importance. Manganese ore is found on the shores of Conception Bay and Trinity Bay. The grade varies betwen twenty and forty per cent., but the estimated tonnage is large, and will probably become of economic importance in the future. There is a deposit of molybdenite in Baie Verte, and if a market for this ore could be assured the bed could be commercially exploited.

Newfoundland has also large resources of non-metallic minerals, such as slates, tales, clays, limestones, suitable for cement-making, and feldspar. A company is now being formed to utilize the limestone deposits at Heart's Delight, on the east coast, for cement-making.

There is no doubt that the mineral wealth of the island has great possibilties, and its scientific development would lead to the establishment of successful mining industries.

It is not possible within the limits of this article to indicate all the commercial and industrial openings which the colony offers. Since 1903 various factories have been established. Furniture is made at Fortune, and at Harbour Grace there are a boot and shoe factory, a tannery, and a carriage-building works. A shipbuilding yard has been constructed at Port Union. St. John's, as the capital of the colony, claims the largest number of factories, and among their products are included biscuits, jam, mineral waters, tobacco, clothing and knit goods, butterine, grindstone for use in the pulp and paper mills, rope, twine, and rails.

In connection with the fishing industry, a new development is the erection of a cold storage plant at St. John's. The isolation of the island, and the difficulty of obtaining transport with refrigerated space, have hitherto been a bar to the exploitation of the trade in cold storage fish, but with the new facilities for preservation, and improved transport services, the markets of Canada, the United States, and the United Kingdom should provide an increasing trade. Transport difficulties have also hampered the trade in salmon. With better shipping facilities great quantities of this fish could be placed on the British Market in fresh condition. Some salmon is marketed, pickled, and packed in tierces, but only the fringe of this trade has been touched. The herring fishery, too, is one that offers great possibilities in Newfoundland. The gathering-ground is on the west coast. With improved methods in curing and packing, the herring fishery should be as successful in Newfoundland as in Scotland. There is a unique opportunity for British capital in developing the island's fisheries by the introduction of modern methods of fish curing and smoking. Another opening occurs in connection with the caplin, a little fish that

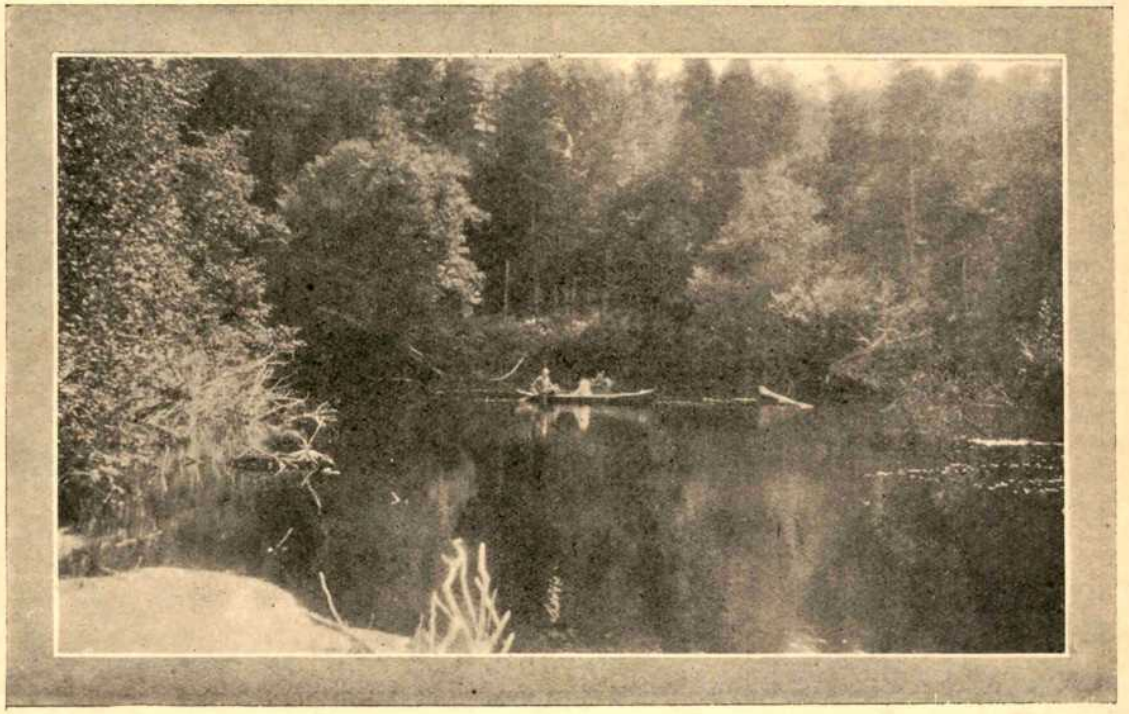
Newfoundland Hotel, St. John's.

visits the waters of Newfoundland in June and July, and can be caught alive on the shore in huge quantities. It is of fragile texture and delicate to handle, but is of a delicious flavour, and an important industry could be established in the preservation of caplin in tins. Served as *hors-d'œuvre*, it would make a most acceptable table-fish. As showing the modern methods which are now employed in the seal fishery, it may be mentioned that the sealing steamers are fitted with wireless. Aeroplanes have also been used with varying success to locate the main " patch " of seals in recent years.

Business men who desire a sporting holiday should spend it in Newfoundland. Not only would they enjoy really good sport, but they would be able to combine business with pleasure, and learn to know and appreciate the Empire's oldest colony. Salmon and trout abound in the island's lakes and rivers, and there is an abundance of game of many sorts. The hunting and fishing-grounds are easily accessible, and for those who are fond of sport, and need a bracing and invigorating holiday, Newfoundland is an ideal country. The climate is unsurpassed in the summer, and beautiful scenery is to be found along the coasts. Efforts are now being made to attract tourists to the colony. Three essentials are needed for the development of tourist traffic—good hotel accommodation, good roads, and a tourist association. The first may be said to have been provided for the Newfoundland Hotel opened last June is an up-to-date institution ranking with the leading hotels of any of the great cities of Europe. It is charmingly situated on the site of the historic Fort William, overlooking the city and harbour of St. John's and the Atlantic Ocean. It boasts of 200 bedrooms and 24 suites and a Messanine Palm Gallery 170 feet long and 15 feet wide. It is so designed that it appeals equally to the well-to-do traveller as well as to the ordinary business man.

It is apparent from this brief *resumè* of the trend of economic development in Newfoundland that, provided the necessary energy, foresight, and capital are forthcoming, the colony has a wonderful future.

Nature has been bountiful, and it remains for man, if he will, to reap the harvest which he has not sown. There is no royal road to wealth in any country, and Newfoundland is no exception in this respect. Hard work and hard thinking are essential. Perhaps the most encouraging sign is the general realisation of these simple facts by those in whose hands the welfare of the country rests, and by every one who has the interests of the colony at heart.



A Quiet Retreat. Harry's Brook.

Factory Administration : Where America Leads.

By E. T. ELBOURNE, A.M.I.Mech.E.

(Director of Marketing Investigation, Shaw, Wardlaw & Company Limited. Author of "Factory Administration and Cost Accounts," etc.).

Mr. Elbourne has just returned from the United States where he undertook a tour of enquiry into industrial conditions.

HAPPY-GO-LUCKY methods of production have little place within the American factory. Every stage is highly organised. When I first visited the United States in 1901 I formed the impression that the secret of their manufacturing success up to that point—and it has gone much farther since—lay in the policy adopted by the manufacturer rather than in any very remarkable organising ability on his part. It might further be said that it was his marketing policy, as much as his manufacturing policy, that was responsible. In fact the two were so interrelated that it is hardly necessary to consider them apart. The point is, that policy determined the specialisation in products which has always been the key to American manufacturing success. It is out of such a policy alone that mass production has been able to grow to its present gigantic proportions.

INTENSIVE MANAGEMENT.

Now specialisation with its corollary of standardisation tends to reduce manufacturing costs by stabilising operations and processes. Mere stabilisation, however, would have meant stagnation of thought and management skill, whatever reduction of direct costs might have resulted from the expertness of operatives under a payment-by-results system. Instead of floating his craft complacently on the stream of a sound manufacturing policy, the American manufacturer set himself to make a much faster pace than could come from merely drifting with the current. He proceeded to apply intensive management to a simplified manufacturing problem, to raise its efficiency to the highest degree, and incidentally to qualify himself for the management of a modern industrial unit.

By specialising on a particular product he had freed his mind to consider his problem from all angles. Not content with that, he exchanged views with other manufacturers who were making other specialised products. They too had got time to be interested in his methods. All parties discovered that not only were each other's methods distinctly interesting, but that some of them had points of contact with their own—a similarity in principles if not in practice. This mutual consideration had reference not only to the strictly manufacturing processes and operations, but also to methods of remuneration, and to all the secondary operations, whether of transportation, inspection or what not; also again to administration, that element in the manufacturing process which the unimaginative call "non-productive" because they do not understand its proper relation to productive efficiency.

COMMUNITY OF INTERESTS.

Steadily through the years this intensive study of all the details of manufacturing operations and management has proceeded. As a result, all ranks of industry have become permeated with a real understanding of the complex process so often lightly dismissed as production, with an implication that the worker at the machine or bench was the whole embodiment of that process. There has come a realisation of the interdependence of output and wages, of output and administration. As things that are equal to the same thing are equal to one another, so the worker has come to see that administration and wages are themselves interdependent. He has seen in factory organisation in all its expressions an endeavour to improve administration and with it, of course, marketing and has recognised that this was the best guarantee of an improvement in his earnings and continuity in his employment.

Onlookers are apt to see in America's methods of industrial administration only an expensive system at work, something too expensive for them to imitate. Or, if they have been led by results to attempt an imitation, may have found that the "system" did not justify itself. But why should "system," in the American sense, be a valuable tool in American hands and a dangerous one in other people's? Obviously there may be various reasons; the policy that determines the characteristics of the manufacturing problem may be so diverse as to require different tools. If so, is it the policy or the tools that require to be changed? Or, if policies agree, are both parties equally competent to use the same tools?

LIBERTY AND INDIVIDUAL WEALTH.

It is here that the most light can be thrown on American success with the tools of "system." It is that the whole community is trained to want to work on orderly systematic lines, to have one right way laid down for carrying out each particular function whether it be the method of performing a given operation, the determination of the time necessary, the setting of the tool in the machine, the sequence of jobs, the handling of material, in fact anything and everything pertaining to getting the job done sufficiently well in the right time at the right cost. It will be said that all this systematising eliminates individuality and restricts freedom. May it not be said equally that it leads, and has led to individual wealth and individual leisure? It may easily be that that wealth and that leisure are capable of better use than at present, but having them is at least a very necessary first step to using them properly. Who would dare to sa that the alternative of muddling along with no margin of earning deserves to be called liberty?

To sum up, as was stated in an article by L. P. Alford in "Manufacturing Industries," New York, for September 1926: "Comparing the situation in 1914 with that of 1923, when the last Federal census of manufactures was taken, significant factors as developed by the National Industrial Conference Board are: Increase in productivity per wage-earner, 33 per cent.; increase in primary power utilised per wage-earner, 16 per cent.; increase in wages paid per unit of production, 2 per cent.; decrease in cost of management per unit of production, 12 per cent. For a given volume of product, the requirements of 1923 compared with 1914 are: 25 per cent. less labour; 13 per cent. less power; 17 per cent. less management personnel; 7 per cent. less actual working time per wage-earner.

BASES OF PROSPERITY.

"In the gratifying condition which these factors indicate, we find the true cause of the high wages paid in American manufacturing and the high standard of living which American wage-earners enjoy, on the one hand, and the general prosperity of American manufacturing, on the other. The developments which have brought about this highly desirable increase in productivity seem to be three: (1) Intensive mechanization in manufacturing, not only in the machinery of processing but also in the general equipment, (2) Increased effectiveness of management, and (3) Increased sense of responsibility on the part of employees."

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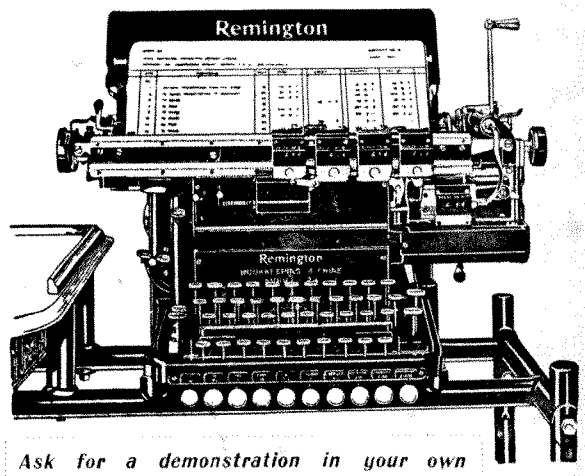

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Furnishing the Business Offices.

No. 2.—Treatment of Walls and Floors.

By NORMAN HUNTER.

This is the second article of a series which will cover every phase of office furnishing in its widest sense. Many points which receive scant attention or are taken for granted, are here analysed in the interest of enlisting them as contributory factors to increased production and efficiency.—EDITOR.

IF one is to take as evidence the offices of the average business at the present time, it would seem that walls and floors are regarded as being merely the means for supporting people and furniture, and for dividing one office from another. That is of course the primary and primitive function of walls and floors, but like everything else in the office they should be made so to fit into the scheme of things that they assist in other ways as well, the efficiency of the organisation. I have mentioned in my first article the need for eliminating unpleasant noise and glare from an office. Most of the unpleasant noise inside an office is caused by people walking about the floor. If the floor is covered with linoleum or merely left with the boards bare the traffic upon it is bound to cause noise. In addition such floors have a cold and uninviting appearance and as they are no easier to keep clean than a more comfortable floor, the one point which is sometimes advanced in their favour does not exist.

FLOOR COVERINGS—COMPARATIVE VIRTUES.

If there is one kind of floor covering better suited to offices of all kinds than any other it is plain grey hair carpet, fitted to the shape of the room. Such a covering is noiseless to walk upon, comfortable, warm and restful to the eye. Grey being a neutral colour will harmonise with any kind of furniture and the cost of hair capet is no more than the cost of linoleum. In the average office hair carpet gives equally good service as linoleum and in these days of vacuum cleaners the problem of cleaning is no problem at all. Indeed it would be true to say that the cleaning of an office carpeted in the way I have suggested can be a much easier, quicker and cleaner process than the cleaning of linoleum or wood floors, even though the latter be of the most expensive parquet.

In entrance halls and such other places as receive exceptionally heavy traffic carpet of any sort is not practical because it would be too quickly worn out. One of the new types of rubber flooring is the most satisfactory for use here and in some businesses it might be found better to use this also in corridors, equipping the rooms only with hair carpet.

If linoleum is already laid in the offices and it is not practical to re-cover the floor, a reasonable compromise can be effected by laying a strip of hair carpet down the centre of each office to deaden the noise of footsteps in and out of the room. Small individual mats of similar material should also be supplied for each desk, not only to prevent the noisy scraping of chairs, but also for the added feeling of comfort they provide. Square or rectangular carpets placed in the middle of the room with a surround of boards or linoleum are not suitable for offices, although they are frequently to be found in rooms occupied by senior members of the staff. Such carpets are usually more expensive than the fitted hair carpet, they are no more comfortable, and they multiply the difficulties of cleaning, the carpet itself having to be cleaned with a vacuum cleaner or carpet sweeper and the surround with a broom or polishing mop. Dust and dirt too have a habit of collecting under the edges of the carpet and there is a great temptation, not always successfully resisted by the cleaners, to lift the edge of the carpet and sweep the loose dust from the surround underneath it.

ECONOMY OF TREATMENT.

Now let us consider the walls. These may be divided into two classes. Main brick or plaster walls and partition walls composed of wood or wood and glass.

Solid walls in an office are best distempered with one of the many reliable brands of washable

paint. Paper should not be used unless there are blemishes in the wall which cannot be removed or hidden by paint. The ease with which distempered walls may be kept clean is sufficient argument in their favour, in addition to which paper invariably costs more and possesses no advantages.

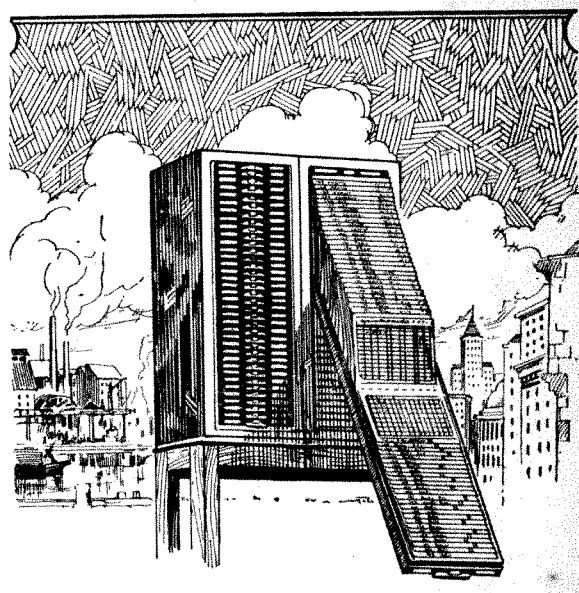
"A GOSPEL OF DETAIL."

Partition walls, if of solid wood, may be treated exactly as the main walls, with paint to match, the fact that they are of wood being ignored. When, however, the partition walls are panelled with glass an entirely different treatment is necessary. In such instances the wall should be regarded as a screen or partition and not as a wall at all. The woodwork should be stained, painted or polished to match the doors and other woodwork in the room. The glass panels may be of either ground or frosted glass. Ground glass is often preferred for doors because of the ease with which the name of the firm or occupant or department may be written upon it, but to balance this there is the undoubted drawback that ground glass dirties very quickly and shows every mark, needing constant washing to keep it presentable. Frosted glass is, for most purposes, both more practical and more pleasing to the eye, the hard white glare of ground glass forming a distracting element if much of it is used. Any necessary lettering may be painted upon the smooth side of the glass, or even upon the woodwork of the doors themselves.

Plain glass has its use in partition walls, but it is often used out of place. When the maximum of light is required from outside plain glass of course is necessary, but it should be used only in the upper panels, the partition up to the level of the average person's head being of frosted or other obscured glass. There is an uncomfortable feeling of being in a glass case like an exhibit if one has to work in a room whose sides are chiefly of plain glass. There is too the distraction caused by people passing to and fro outside and in addition the feeling that one's every action is being watched by superiors.

"VICTORIAN FRIGHTFULNESS."

It seems hardly possible that there are men in charge of large staffs whose minds are so narrowed by the fetish of so-called discipline that they deliberately plan to keep every employee under observation like so many convicts. Yet it is a fact that in more than one large firm plain glass is used in the partition walls mainly for this purpose. The idea is a relic of early Victorian frightfulness. It belongs to the era of tall desks where clerks work perched on high and comfortless stools, to the times when comfort was a crime for any but those in authority. Apart from the fact that real concentration is impossible behind plain glass walls, there is the



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factor of trust. Every employee is, or should be, a trusted employee. If a member of the staff cannot be trusted to do his or her work properly without feeling that he is being watched, then that employee cannot be trusted to do his work at all and has no place on the staff. A basis of mutual trust is essential to efficiency in the office and until it is established there will always be complaints of shirking on the one side and complaints of unnecessarily harsh discipline on the other. There are many ways of testing the trustworthiness of a new employee without his knowledge. The glass cage must be abolished and some degree of privacy allowed to the staff.

As far as the colour scheme of walls is concerned, the same considerations demand attention here as in the home. Plain, unpatterned walls will of course be the rule, but in addition those colours that make pleasing environment should be chosen.

COLOUR PHILOSOPHY.

Green is often picked as being restful to the eye. Restful it is, but too much of it, if it is a dark green, is monotonous. Apple green walls with a dark green dado are refreshing in a light room, but in offices where the light is not too good a warm buff is better. There are few more pleasing schemes for an office than the plain grey hair carpet floor already mentioned, dark oak colour woodwork, and buff or cream walls. The lower part of the walls to the dado may well be made a golden brown, a few shades lighter than the oak woodwork as this part of the walls is liable to become soiled if too light a colour is used. White or almost white for window frames helps the light but white should be avoided for walls because it produces glare. Ceilings of course should be white, and occasional cleaning, although it is rarely given a thought, is as important here as anywhere.

Decoration of the walls should be confined to one or two simple pictures and one or two calendars of the one day to a leaf type. Gaudy advertisements and ugly calendars showing masses of figures should be avoided, the aim being to keep the walls as simple as possible, just one or two appropriate pictures being used to break the monotony of the plain surfaces. The pictures should be chosen chiefly for colour. Very little bright colour is permissible in an office, but an office without bright colour is apt to be dull. A dot or two of vivid colour obtained by judiciously placed pictures makes a wonderful difference.

Next month's article will deal with furniture and equipment.

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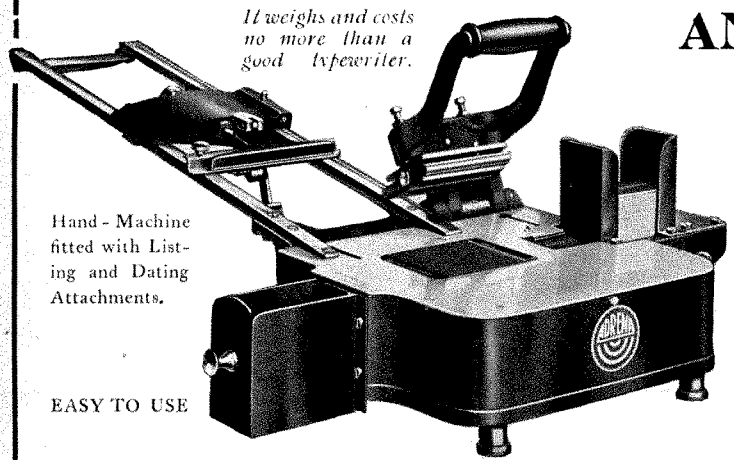

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Business and the Law of Agency.

By F. E. SUGDEN, A.C.I.S., F.R.Econ.Soc., *Barrister-at-Law.*

The present article concludes the series on the "Law of Agency." Our Readers will be in agreement as to the value of them. Next month, Mr. Sugden will commence the vital question ot Law in Relation to Banks and Banking, a subject little understood by the average business man, and too often taken for granted.—EDITOR.

IN the last article reference was made to the legal rights and duties of a Principal to an Agent and also conversely the legal rights and duties of an Agent towards his Principal. In this concluding article on this subject it is now proposed to deal with the duration and termination of the Agency.

In this connection the question naturally asked is how is the business relationships between the Principal and the Agent terminated? The Agency relationship may be terminated either by a revocation by the Principal or a renunciation by the Agent. The law operates to terminate an Agency agreement by (*a*) expiration of time if any is agreed upon, or (*b*) complete performance of the undertaking for which the Agency was created, or (*c*) the destruction of the subject matter (*e.g.* goods to be sold by an agent) or the happening of an event rendering the continuance of the Agency unlawful (*e.g.* sale of goods in an enemy country or to an enemy alien), or (*d*) where either party becomes incapable of continuing the contract by reason of death, bankruptcy, or unsound mind.

THE TERMINATION OF RELATIONSHIPS.

In reference to termination of relationships the Agency may be terminated at will but in any case the relationship may be terminated subject to any claim for damages for breach of contract. It is worthy of note however that where an option is given a Principal of terminating an agreement with his Agent, if the Agent does not do a certain amount of work or reach a certain turnover in the sale of goods, that option cannot be exercised to the Agent's detriment where his failure is due to the omission of the Principal to give him the facilities or supplies which the Principal has contracted to afford

Speaking legally how may the Termination by Operation of Law be brought about? Termination by operation of law may take place by effluxion of time which may be fixed for the existence of the Angency by the parties or by custom or usage of the particular trade or business, *e.g.*, in the Irish provision trade it is a lawful usage that a general authority to a broker to sell expires with the day on which it is given, and that a contract for the sale of the goods afterwards entered into by the broker, is not binding on the principal.

The Agency may be terminated by the conclusion of the Agency by performance, *e.g.*, the performance of the particular duty ends the authority, as where an auctioneer sold a week after the auction he was held to have no authority. In reference to the termination of Agency by the destruction of the subject matter when there is no express or implied undertaking to continue it is essential to perceive that when two parties mutually agree for a fixed period, the one to employ the other as his sole agent in a certain business, at a certain place, that he will act in that business for no other principal at that place, there is no implied condition that the business itself shall continue to be carried on during the period named.

UNLAWFUL CONTINUANCE.

In reference to the termination of agency by the happening of an event rendering its continuance unlawful an example may be quoted of the effect of the Military Service Acts 1916 on a contract for civil employment which determines the contract *ipso facto* (*i.e.*, by the very act itself) at the appointed date that is at the date of the commencement of the operation of this particular statute.

In reference to the determination of the Principal's business where an agency has been created for a fixed time. The question as to whether a discharged agent is entitled to claim damages for wrongful dismissal depends upon facts, *e.g.*, if a company by a written agreement

employs an agent at a commission for a fixed term, and within that term, through no fault of its own, is wound up, the agent is not entitled to compensation for loss of commission, after the date of the winding up, but to commission only upon such business as the company in fact carries on during his employment.

EFFECT OF DISSOLUTION OF PARTNERSHIP.

The dissolution of a partnership firm constituting the Principal will put an end to the contract of agency unless (in the case of a partnership) the contract was not of a personal character, *e.g.*, a partnership consisting of a Company and another person carry on the business of music-hall proprietors under the name of X. Company. A troupe of music-hall performers enter into a contract with X. Company to give certain performances at the Company's music-hall. The troupe of music-hall performers have no knowledge of the persons of whom the Company contained. After the making of the contract and before the time for performance arrived the other person who is in partnership with the X. Company dies. The Court would hold that the contract was not of such a personal character on the part of the partnership as to be put an end to by death of the deceased partner and that it could be enforced against the X. Company, the surviving partners. Where there is an agreement for a fixed period, it is not dissolved by the Principal discontinuing the business on the ground of its unprofitable character. This point of law was settled by the case of Nielans v. Cuthbertson.

LUNACY.

A contract of agency is also determined by the Principal's death, lunacy or unsoundness of mind (Drew v. Nunn) but a lunatic's estate may be liable for necessaries. The representatives of a deceased Principal may however ratify a contract made by the Agent subsequent to his death, if they think fit, though, in the absence of a ratification, they are not bound by it. This point of law as laid down by the case of Foster v. Bates.

The death or apparently the insanity of an agent determines the agency, which rests on personal relationship. A joint agency is determined by the death of any one of the joint agents. The authority of an agent is determined by the bankruptcy of the Principal. But mere formal acts on completion of a transaction already binding on the Principal may be performed by the Agent under his authority after his Principal's bankruptcy and any bona fide transaction of the Agent under his authority before the date of the Receiving Order (*i.e.*, an order of the Court on the petition of a creditor, or of the debtor himself, granted for the protection of the estate on an Act of Bankruptcy being established. The order constitutes the Official Receiver the receiver of the debtor's property. The effect of the order is that unless a scheme or composition is accepted by the creditors the debtor is adjudged bankrupt) and without notice of any available act of Bankruptcy, is a valid transaction, and for that purpose the authority may be treated as still existing.

BANKRUPTCY OF PRINCIPAL.

It is interesting to note that where a solicitor even after an Act of Bankruptcy by his Principal of which he has notice, receives authority from the Principal to act for him and is paid for his services for the express purpose of opposing bankruptcy proceedings, the authority is not terminated as from the Act of Bankruptcy (and payment is not recoverable by the Principal's trustee in bankruptcy) upon the Principal being adjudicated bankrupt within three months from the Act of Bankruptcy.

If the Agent has a right of lien (*i.e.*, a right in one man to retain that which is in his possession belonging to another, until certain demands of the person in possession are satisfied) on goods of the Principal or their proceeds such right is not affected by the Principal's bankruptcy.

THE VITAL RIGHT OF SET-OFF.

If there have been mutual credits or dealings between the Principal and Agent, the Agent is entitled to a right of set-off against all moneys of the Principal received before the date of the Receiving Order and without notice of the Act of Bankruptcy. Incidentally a set-off is a counterbalance or cross-claim. To illustrate this point the case of Palmer v. Day & Sons may be quoted. On this particular occasion the debtor instructed Day & Sons, a firm of auctioneers, to sell his house and furniture and a sum of money became due from him to them in respect of their charges for the sale of the furniture and the attempted sale of the house. Subsequently the debtor instructed the auctioneers to remove to their own premises certain pictures which had remained unsold, and to sell them subject to his approval of the price. The debtor became bankrupt while the pictures were still unsold, and the pictures were with other property of the bankruptcy subsequently sold by the auctioneers, acting upon the instructions of the debtor's trustee in bankruptcy The auctioneers claimed to deduct from the proceeds the money due to them for the charges in respect of the sale of the furniture and the abortive sale of the house. The Court held that the deposit by the debtor of the pictures, with such an authority to sell and receive the

proceeds, constituted a giving of credit by him to the auctioneers; that there were therefore mutual dealings between him and the auctioneers at the date of the bankruptcy, in respect of which the auctioneers had a right of set-off in bankruptcy.

It is very important to note however that a trustee in bankruptcy has a right of action against an Agent who, with notice of an Act of Bankruptcy by his Principal, sells his Principal's goods and pays the proceeds to the Principal. This point of law was settled in a very old case of King v. Leith which is still law. The case laid down that if a trader became a bankrupt by lying in prison two months after an arrest, his assignees (*i.e.*, persons appointed by another to do any act or perform any business; also persons who take some right, title, or interest in things by an assignment from an assignor) may maintain an action for money had and received against a person who, having notice that a commission would be issued against him, sells his goods and pays him the produce before the two months are expired.

BANKRUPTCY OF AGENT.

Much has been said about the bankruptcy of the Principal, naturally the question asked is, what about the bankruptcy of the Agent?

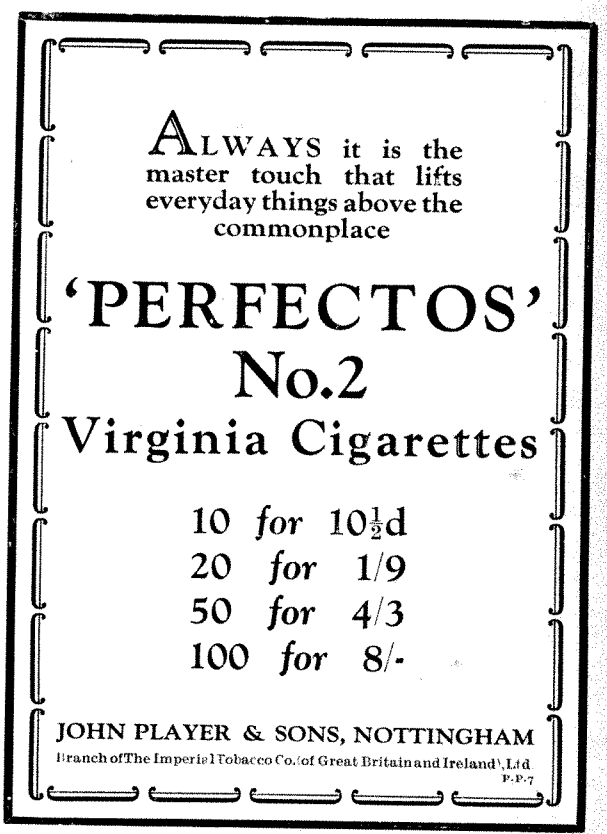
The bankruptcy of an Agent determines the Agency except where the act which he is authorised to do is merely a formal one or where the bankruptcy does not make him less fit and competent for the proper performance of his duties. Whether it does so or not depends on the nature of the Agent's duties and terms of his appointment. In this connection there are two cases worthy of note, namely, McCall v. Australian Meat Co., which lays down that the bankruptcy of an Agent is not a defence to an action for wrongful dismissal, even though the Agent is to receive moneys on account of his Principal. The fitness of the Agent to perform his duties under such circumstances is a question for a jury.

LIABILITIES OF TERMINATION NOTICE.

In the case of Elliott v. Turquand authority had been given previous to an Act of Bankruptcy by the bankrupts to the defendant in the course of mutual dealings to receive the purchase money of their estate, and to place it to their account and such authority had been acted upon before notice of an Act of Bankruptcy. The Court held that such authority was not revoked by the Act of Bankruptcy; that the payment thereof to the defendant was a rightful payment; that being so received it became a debt and an item in the accounts between him and the bankrupts before notice of any Act of Bankruptcy, and that the defendant was entitled to set-off against it, in an action brought by the trustee in bankruptcy, the debt due from the bankrupt to him.

The question frequently asked is, when is notice of termination of Agency necessary, that is, when should it be given to the world in general? Notice is necessary when other persons are induced to believe through the act of the Principal that the Agent had authority. The belief may have been induced through the Principal giving the Agent express authority to do certain acts or through his having ratified the Agent's acts. In such cases in the absence of actual notice the Principal will remain liable to those dealing in good faith with the Agent on the assumption that his authority still continues. (Willis, Faber & Co. v. Joyce).

A mere implied Agency however may be determined without the necessity of communicating such determination and in the case of termination by the death or bankruptcy of the Principal it is not necessary that the world generally should have notice of the termination, even where the Agent has been held out of having authority.



The Value of Advertising in Business.

By SIR CHARLES HIGHAM

(The Famous British Publicity Expert).

The "Gospel according to Sir Charles" would aptly describe this product from his pen. Here is a clear statement of advertising truth from one of its most notable exponents.—EDITOR.

WHEN I was asked to write under the heading which this article possesses, I said to myself, " Is it possible in this Twentieth Century that there is anyone remaining in this world who does not know that advertising is of the utmost value in business? " Apparently there is, or I should not have been asked to say a few words about it. No one has any right to anything in this world if he has not the courage to ask for it—yet it is surprising the number of people who grumble about trade and who never ask the world to give them an order!

I heard the chairman of one of the largest steel companies speaking recently, and he said that they had exhausted practically every means of getting the steel trade of this country back on its feet, and suggested that the only way to remedy the bad trade in steel was to eliminate some of the firms engaged in the industry.

A more fallacious argument I have never listened to. After hearing this, I looked up the leading newspapers in the Argentine, United States, Canada, Australia, New Zealand, South Africa, to see if I could find one single instance where the Steel Industry of this country was asking the world to buy British steel and I failed to find such a request anywhere.

Even in my own country if the steel people are not asking the world to buy British steel why should they blame the world if they do not buy it? After all, that is what advertising really is—asking you to buy something. Of course, it goes much farther than that because sometimes it makes you buy it! The reason the Nottingham lace trade is bad is because nobody is asked to buy Nottingham lace curtains. In fact I have asked a number of people why they do not buy Nottingham lace curtains any more and they answer, " Why! do they still make them? "

I asked a woollen manufacturer one day why it was that I was not asked to wear woollen garments by the trade as a whole and he gave me very much the same answer as nearly all manufacturers of our staple lines give. He said, " Well, Higham, if you want a nice job, you try and get together the people of any given industry, and get rid of the envy and jealousy in that industry, and the fear that one of them may get a bigger order than the other, and you will have done the trade a world of good." Isn't it surprising to think that with this great power of publicity lying at their elbow nearly all the leading trades in this country are silent in a collective and international appeal?

The Tea Growers of India decided that they wanted to sell more tea so they collected amongst themselves a tax of about 5d. on every hundredweight of tea that they exported. The result was they raised something like £90,000 a year, and they have been spending a little less than half of it in the last three years in the United States, and have practically turned the United States into a tea-drinking nation—which goes to prove that it can be done.

Advertising is the life-blood of trade. It is an exact science to-day. It is the cheapest form of selling which I know if the space you buy is properly filled. But advertisers must all remember they are only buying white space; it is what you put in the space that makes it pay, not what you pay for the space.

" ADVERTISING AS A SCIENCE "

The Scientific Requirements of Advertising Efficiency.

Everybody interested in the progress of modern advertising should write for a copy of this highly interesting and instructive book.

Published by

NASH & ALEXANDER, Ltd.,
Kingsway House, London, W.C.2.

2/6
Post free 2/9

HIGHLY PERSONAL
Service in Advertising

A Client said recently: "I feel you are acting for me like a **PARTNER** as well as an Advertising Agent."

That is the way I like to work for and with a Client. It means: Identifying myself with the interests of the firm —not merely spending its money.

It means: My personal help, willingly given, in the many problems of sales development beyond publicity.

MAX RITTENBERG
Advertising & Sales Development
33 HENRIETTA STREET
LONDON W.C.2
'Phone: Regent 5491

When is an "Idea" Copied?

In Advertising and Business.

By "ADVERTISING MANAGER."

TO the man who claims "I invented this—I was the first to think of that," let him go to the Chancery Courts and hear the battle between litigants in a patent action, with all the citations on both sides, the result of counsel's unearthing of archives, proving that "it was done long ago" and has since been repeated in all manner of guises.

Let him listen to the judge's cold, impartial, but none the less exhaustively analytical summing up. How it reveals in merciless light the true value of the invention and its intrinsic benefit to the world at large! But, not enough! Let him watch the appeal to the next Court, hear still more citations, more analyses and dissection. Probably the result will be entirely different from the first judgment, and yet none the less destructive of inventive egotism. And then comes the "House" and again the "invention" (how frail it has now become in substance!) is hanged, drawn and quartered, and again perhaps the decision is reversed.

By this time, the "inventor," if he has not lost all his self-esteem as such, has certainly lost a mint of money, and is a wiser man when it comes to making further claims to inventive powers.

"NOTHING NEW UNDER THE SUN."

Now does this mean that we are to dispute all "ideas" as old? I remember so well a young colleague starting in advertising with me, who averred with great depression that he never seemed to be able to think of something "new" to him, but what somebody could show him it had been "done" already.

The advertising man of all men, since ideas are his "stock-in-trade" is constantly faced with this aspect.

Sometimes it is rather serious. The ad. man conceives an idea accepted as brilliant. Coincidentally someone else's idea bears a resemblance; he is in danger of impeachment as a copyist. Happily, in this respect, the average chief is less

concerned with the source of the idea, or even with its brilliance as he is with its potential sales possibilities, and so can afford to be magnanimous and continue to employ the manager who gets the ideas from "somewhere," wherever it is.

Even so, this does not rest the heart of the advertising man proud of his job. He may often be moved to a sigh, as my young colleague, at the seeming futility of striking a new road.

"THE LITTLE MORE—

Yet there is always the fundamental truth underlying—that although the "idea" may not appear to be new per se, it may still honestly claim to present the old from which it is apparently "copied" in a new light. The new aspect may be all the difference between failure and success.

What is an invention, an idea? Who invented wireless, the steam engine, electric light, or any of the wonders of this "inventive age"? Would any of the great names associated with these, be found with a claim for sole tribute? Read their texts and see how many references they make to previous pioneers. They do not claim to be "inventors" in the sense which is conveyed by popular acclamation The "invention" becomes popular as an avalanche of wonder, but it has assumed its immensity in the flakes garnered all the way down its course of research, and is made up of those "flakes," each of which must be given its due credit for the massive formation. Each flake has increased the drift, and each means something added.

To criticise an idea because it bears resemblance to the old is therefore to demand the impossible. To look for the new phase, the added potence that has given the "idea" new life and made it more useful, is the constructive view.

—HOW MUCH IT IS."

If Directors and co-managers would look at the sales and advertising managers' new "ideas" in this light; if the advertising man, especially the young man, would always keep the same thought in view, that if no idea is "new," it is always capable of new values, all will be for the progress of advertising, sales and business ideas.

There are other aspects of the subject; the errors and evil of ideas which are actually blatant copies; there is also the "idea" that bears repeating; these are worthy of debate in themselves, but of all things let us look more into the value of the idea, and judge whether or not it means progress, rather than whether it originated with Methuselah.

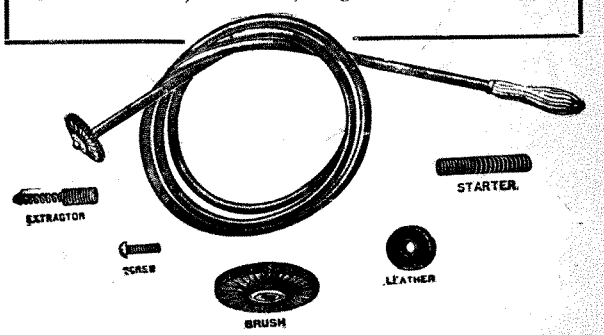
for works drains

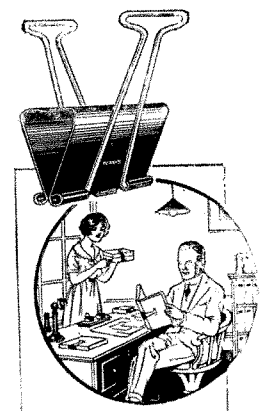
The "AVECTA" drain cleaner goes round any bend with ease, and quickly opens up a choked drain. It pays its cost the first time used, and if used occasionally will prevent waste accumulation, and safeguard health.
Recommended for business houses, hotels, institutions, clubs, &c

6 ft. x $\frac{3}{16}$ in. high grade spring, 3 in. brush 12/6 each.

Extra lengths 1/3 per foot. From ironmongers, sanitary engineers; or in case of difficulty from List free.

HERBERT TERRY & SONS, LTD.,
Manufacturers, Redditch, England. Estd. 1855.



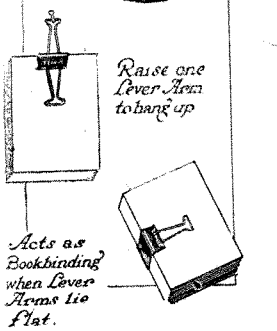


That missing paper

causes more swear words and perspiration loss than the rest of the work.

Why not use a set of Terry's FOLDING LEVER letter clips—and get the habit of classifying and clipping the material as you get it?

Send 2/10 for 12 assorted, 3 each 4 sizes; or ask your stationer to supply them. List free.



HERBERT TERRY
& Sons, Ltd. Manufacturers.
REDDITCH, ENGLAND.

Established 1855.

Getting the Utmost out of Form Letters

By MAX RITTENBERG

Article I.—THE USES AND ABUSES

Every business needs to use the Form Letter. It logically follows that such use must be effective. Otherwise it is a liability and not an asset. A further sequence is to know *when* and *how*. This series of articles by a master of the subject will prove invaluable to any business man, and he will do well to introduce them to his staff, in whose hands often lies the fate of his business.—EDITOR.

THERE is no business which does not need form letters. It is therefore a subject of the widest practical interest, and the Editor has asked me to explain out of my considerable experience in this direction, how one may get the utmost out of form letters—at least expense and with most results.

The number of specific points to be discussed in detail are very large. In order to do justice to all these points, and to provide really helpful, practical information on all of them, it will be necessary to run to a series of six or seven articles.

I will endeavour to be as concise as possible, and to keep in view the practical, "down-to-bedrock" aspect of form letters which is needed by the business man.

FIRST—THE MANY USES OF FORM LETTERS.

The uses are grouped in lists below, and I suggest you go carefully through whichever list applies to your own particular business; tick off the points where you are already using form letters; and star those where you have not already thought of using them :—

MANUFACTURER.

1.—In general office routine, for dealing with enquiries.
2.—Ditto, quotations.
3.—Ditto, orders.
4.—Ditto, complaints.
5.—Ditto, collections.
6.—In advance of a traveller's call.
7.—Following up a traveller's call, where he has only succeeded in getting a partial interview, and has not completed the sale, and cannot conveniently get to that customer again inside a month or so.
8.—Following up a traveller's call, where he has not been successful in obtaining an interview.
9.—In between a traveller's regular calls, to pick up " in-between " orders.
10.—To introduce a new traveller both to customers and to prospects.
11.—To bring back " into the fold " a customer who has discontinued ordering for reasons unknown.
12.—To rush out to all customers simultaneously news of a special bargain line, or alteration in price, alteration in stock, etc.
13.—A letter for the sole purpose of building up goodwill amongst customers, dispatched at a seasonal time such as Xmas, New Year, Anniversary of the manufacturer's firm, or Anniversary of the customer's firm.

In the latter case, the letter would be individually typed and not duplicated. But nevertheless, it might be couched in a general form—as a " blanket letter "—and in the individual typing, it would need only such slight alterations as would apply to the particular case.

14.—To interest the dealer in special display matter for his windows and counters.
15.—To interest the dealer in forms of local circularising at the manufacturer's expense, but carrying the dealer's imprint.
16.—To enlist the dealer's co-operation in local sampling schemes carried out by the manufacturer.
17.—To interest the dealer in local advertising in the local press of the manufacturer's lines, the expense being shared between manufacturer and dealer.
18.—Local circularising to the customer, to interest him in buying from the dealer.

19.—Ditto, in order to obtain information on the product in actual household use.

20.—Circularising to the consumer in order to introduce samples.

21.—Ditto, in order to obtain recommendations.

WHOLESALER.

Same points as for manufacturer, numbers 1 to 14.

RETAILER.

The large stores handle a considerable volume of postal enquiries and orders; and even the smaller retailer will find some of his trade accruing in this way—in fact, it is a side of his business which is usually neglected and is frequently capable of considerable expansion.

1.—In general office routine, dealing with enquiries.

2.—Ditto, quotations, samples, patterns.

3.—Ditto, orders.

4.—Ditto, complaints.

5.—Ditto, collections.

6.—To customers, advance notices of special lines of goods being offered in a Sale, giving them preference in selection over the general public.

7.—To customers and prospects, notifying them quickly of new lines worth their attention.

8.—To customers who have discontinued buying for some time past, for reasons unknown, endeavouring to get them back " into the fold."

9.—To customers, a goodwill message at a seasonal time of the year, as Xmas or the firm's Anniversary.

10.—To prospects, a patient circularising campaign spread throughout the year at reasonable intervals, endeavouring to turn them into customers.

Two points in regard to the latter; there must be no suggestion of " pestering " (it is useless to send out letters every week or every fortnight); and in most cases it is advisable to build the letter around some " special offer " or special line of goods at a low price, rather than a general request for business.

MAIL-ORDER HOUSE.

The same points as for retailers, numbers 1 to 10 and also

11.—Assuming the enquiries are coming off a newspaper advertisement, a series of follow-up letters at short intervals to turn the enquirer into a customer.

12.—One or more " strings " of letters, spaced throughout the year, endeavouring to keep customers ordering by post.

This is much more necessary with a mail-order house than with a retail establishment, because in the latter case the customer will be coming into the shop personally from time to time, while in the case of the mail-order firm he never sees the establishment at all.

THE ABUSES OF FORM LETTERS.

The " abuses " have been touched on above, but should be emphasised more clearly at this stage.

Assume that I am a motor car hire firm and that you are a householder in a good residential district.

If I keep on sending you letters saying the same thing over and over again—hire a car from me, ride in comfort to the theatre, use me for week-end jaunts, etc.—you will be getting very tired of hearing from me, and will regard it as a pestering method of trying to get business out of you. It would be an abuse of the form letter and would defeat its purpose.

On the other hand, if I were to send you one form letter, soliciting business, enclosing a convenient household article, like a pad for telephone messages, on which my name and address and telephone number are prominently printed, you would then find it both useful for household purposes, and a convenient form of reminder in case you required a car in a hurry at any moment.

Instead of following this up by letter after letter soliciting business, assume that I write you three months later and ask you if you would care to have a renewal of the telephone pad. This would be accepted by you as a useful form of service, and you would continue to have my name and address and telephone number in front of your household every time they used the telephone, without any suggestion of being " pestered " for business.

The same line of thought applies to many other businesses besides the motor car firm we have assumed above as an example. It should be the aim of every firm to plant something with a customer, be it a catalogue or be it an article for private desk use, which serves a useful purpose to the man or woman who receives it, which is certain to be kept, and which will act as a constant, but tactful, reminder of the existence and the services of the firm who send it out.

WHAT RESULTS CAN BE EXPECTED FROM A SALES LETTER?

This is a question continuously asked by business men of all kinds, and it is the most difficult of all to answer, because it depends on so many circumstances—so many variables in the equation !

In the first place, is the form letter in question to be sent to customers, or to cold prospects, or in response to an enquiry? Is it to be a general request for business, or a specific offer for sale of certain goods at standard prices, or a bargain offer of an exceptional kind?

If it be addressed to prospects only, what is the mailing list like; how far can you say that this mailing list will reach to logical or likely buyers? If it be a retail establishment which is sending out the letter, are all the people on the mailing list so situated at home or in their daily business life that they can call easily and conveniently at the shop?

Let us be more specific in regard to some of the points mentioned above.

Consider a tailoring establishment. It wants to increase its business. It wants to increase its business by sending out letters to men who have never ordered clothes from the firm before. In such a case, the right mailing list is of utmost importance in order to avoid cruel wastage of circulars.

The work entailed on a business man in selecting clothes for a suit, getting measured, getting fitted, getting re-fitted, is quite considerable—it takes up a lot of his time, and time that he may find it difficult to spare out of his business day. He is therefore inclined to go for his clothes to a tailoring establishment which is within half-a-mile, or perhaps a mile at the most, of his office address. It is difficult to drag him far away for those choosings and fittings.

Therefore, the logical mailing list would be to men in business offices, or professional men, who are daily within half-a-mile (or a mile at most) of the shop. If one wants to expand this mailing list to people at distant addresses, one may stir up a certain amount of business, but not nearly to the same extent, and undoubtedly at a higher cost-per-order.

Now consider the other points mentioned above.

CUSTOMERS; COLD PROSPECTS; ENQUIRERS.

From my experience, I have known of the same mailing shot produce 1.5% of orders from cold prospects, and the same mailing shot produce around 15% of orders from the best class of customers, and intermediate percentages from customers not in the first class. This is a very wide difference, and obviously the amount of profit from circularising to customers and to prospects of the very same offer would be widely different.

Take the case of enquirers, those who respond to a newspaper advertisement and ask for further particulars; the number of these who will turn into customers varies enormously with the goods offered.

In the same week, the very week in which this article was written, I heard of one result where 97% of people ordered goods on receipt of the samples and particulars asked for by their enquiries. In the other extreme case, the percentage of people ordering after receiving full particulars (but not samples, because these were not practicable) was under 5%.

This is sufficient to show at a glance what wide variations are possible, depending on the appeal of the goods when the enquirer has received the particulars he (or she) has asked for.

Therefore it would be absurd to hazard any estimate of results from letters to enquirers unless one knew exactly what were the goods being offered.

At this stage of the discussion, you might well ask: "If my goods appeal to the public to the extent of 25% of those ordering after receiving particulars, would it be possible so to improve the letters and literature so that 50% of them would order?" This is unlikely. The general appeal of the goods will be the biggest factor in determining the response. The letters and literature might be improved to bring back 30% or 35% of orders. Perhaps 40% would be a possibility, but a figure of 50% would be highly unlikely unless the presentation in the first instance were extremely amateurish or ambiguous or misleading.

In brief, the expert deviser of sales literature and letters can nearly always improve results to a profitable extent—but do not expect him to work miracles!

GENERAL SOLICITATION FOR BUSINESS: OR BARGAIN OFFER?

Again endeavouring to be specific, I have known of a retailer sending out a general request for business to cold prospects, and getting less than ½% of results.

Advertise by Mail

We offer complete Sales Letter and Postal Publicity Service from copy writing and printing to the stamping and posting.

Samples, Particulars and Prices sent on application

FACSIMILE LETTER PRINTING Co., Ld.,
6a, Tudor Street, London, E.C.4.
Telephone—City 4393 (4 lines)

On the other end of the scale, I have known of a specific offer of goods at tempting prices, sent by a manufacturer to retailers who had never dealt with him before, opening up accounts to the extent of 20% of those addressed. The latter must be taken as quite an exceptional result. In the usual run of bargain-offer circulars, sent out to cold prospects, either by manufacturers or retailers, a response of 2½% to 5% is what happens; and indeed, 2½% of orders would well suit many business men's books, if thereby they were getting into their ledgers the names of people who had never ordered from them before.

THE IMPORTANCE OF THE MAILING LIST.

I have already been concrete on the subject of the right mailing list, by outlining the case of the tailor and the people from whom he can logically expect business.

In differing degrees, this question of the right mailing list is important for any firm. A manufacturer wants to address his circularising to (say) only the best class of drapers, or the best class of bakers and pastrycooks.

There are lists obtainable at the present moment from a certain addressing agency of graded drapers and graded grocers, but not of graded bakers or of any other class of retailer. Many manufacturers have to struggle with this difficulty by taking a general list as supplied to them by an addressing agency, and then going through it with their travellers with the intention of striking out any names which, within the personal knowledge of themselves or their travellers, are in a small way of business or are not desired as customers.

It is a difficult and lengthy job, and is never likely to be completely satisfactory. But it must be undertaken, or else there will be an inevitable wastage of circulars to people who are either not interested in the line one has to offer, or else are not desirable customers, even if they should wish to order.

These observations apply particularly to a manufacturer of luxury goods. They are not saleable in any quantity by the small shops or those catering primarily to the masses. It would be a wastage of effort, and a disappointment to both sides in the long run, if accounts were opened with the lower grade of retailer.

Summing up, the mailing list is a personal and peculiar problem for each and every advertiser, and on *the right mailing list* depends largely whether the circularising will be profitable or unprofitable.

(To be continued.)

A New Edition.

This striking book will help you

PERSONNEL ADMINISTRATION,

ITS PRINCIPLES AND PRACTICE.

By ORDWAY TEAD, and HENRY C. METCALF. Second Edition. 540 pages. 6 x 9, illustrated. Price **25/-** net.

A thorough revision of the standard work on the principles and practice of the administration of human relations in industry. The book is a practical manual for the head of the personnel department as well as for the executives directly in charge of such matters as employment, health and safety, educational department, joint relations with employees, etc. It is a concrete, forceful and specific answer for practical men to the question, *What can be done about the labour problem?* In this revision the scope of the book has been widened in order to make it more useful to department store and office personnel workers as well as to those in industrial plants.

SECTION HEADINGS: I.—Introductory. II.—The Personnel Department. III.—Employment Methods. IV.—Health and Safety. V.—Education. VI.—Research. VII.—Rewards. VIII.—Administrative Correlation. IX.—Joint Relations. X.—Appendices.

McGRAW-HILL PUBLISHING Co. Ltd.,
6 and 8, Bouverie Street, London, E.C. 4.

The Story of Lloyd's.

THE ROMANCE OF RISK.

By R. E. MAYO.

This, the third and concluding article of the series relates the history of the famous and familiar expression "A 1 at Lloyds"; the Plimsoll Line and the initiation by Lloyd's of what has since become the Royal National Lifeboat Institution.

ANY attempt to tell the story of Lloyds however brief, would be incomplete without some reference to the kindred institution promoted and nurtured by the Underwriters of Lloyds until its importance necessitated a special organisation of its own.

We refer to Lloyds Register of Shipping, as national in its birth and character and international in its scope and ramifications as the parent institution, whose progress and growth it has equally shared. The advance of Marine Insurance as a recognised profession regulated by certain well defined principles required the recording of complete information as to the age, general condition and state of repair of such vessels as Owners wished to insure, to enable the Underwriters to determine an equitable rate with some reliable knowledge of the security that was offered for insurance. The oldest of such registers is believed to date about 1760, and such books were certainly published in 1764-65, containing particulars of the name of the Owner, Master, tonnage and year of building, etc. A Society was formed in 1774, the members of which were practically those Underwriters of Lloyds who had just taken up their quarters in the Royal Exchange, and the now familiar term " A1 at Lloyds " first came into use. By the end of the century the operations of the Society had become so important that in 1798 a new Register Book of Shipping was published and continued for a considerable period under the same auspices.

In addition to Lloyds Underwriters, the Society now included many Merchants and Shipowners.

The Undertaking grew and prospered and in 1834 definitely took shape and was henceforth known as Lloyds Register of British and Foreign Shipping. The Society became self supporting and an entirely new system of both survey and classification came into being. The books of record printed primarily for the use of the Underwriters of Lloyds circulated not only in London but over the whole of Great Britain and soon extended to every part of the world and Lloyds Register has become the Universal standard and in fact stamps the character of the ship and regulates the confidence reposed in her safety and sufficiency. All vessels on the Register are inspected and reported upon periodically by Lloyds own Surveyors both at home and abroad.

Both steel and wooden vessels are rated and registered in classes and the history of each is fully recorded for future reference. Such information as the number of wrecks, casualties and collisions that take place annually, lives lost and saved, values of cargoes, salvage and minute particulars of the varying tides, currents, wind and weather in the wide seas of the world, is all an open book to the officials of Lloyds.

It may not be generally known that in accordance with the Merchant Shipping Acts of 1894-1906 (which Lloyds were largely instrumental in placing on the statute book) every vessel except sailing ships of under 80 tons register—must be marked with a load line.

This line, often called the " Plimsoll Mark," was at first enforced on owners through legislation promoted by Mr. Samuel Plimsoll, famous as the sailor's friend. Previously to this enactment the lives of the men serving in the Mercantile Marine were often endangered by the wilful employment of unseaworthy ships by unscrupulous owners. In the hope that they might founder, overloaded and undermanned vessels, were sent to sea insured greatly in excess of their value. Such practices were graphically dealt with in the late Charles Reade's famous story, " Foul Play," and as the outcome of a prolonged

agitation conducted by Mr. Plimsoll a Royal Commission was appointed to enquire into his allegations that many lives were lost owing to the unseaworthiness of rotten or "coffin ships" as they were called. In 1876 Parliament carried through an Act compelling owners to clearly mark the maximum loading line amidships of each vessel, failure to comply with the regulation exposed an owner to a fine of £100 for each offence.

In 1890 the fixing of the load line was taken out of the owner's discretion and made a duty of the Board of Trade.

The rules of construction and classification of vessels by the Society of Lloyds Register are very exacting and are in a constant state of scientific evolution and progress. With its skilled surveyors at foreign and colonial as well as British ports, this great Society commands every facility for classifying the shipping of the whole world, and shipbuilders are therefore fully alive to a strict compliance with its rules and requirements. In consequence among factors making for the improvements in the construction and safety of shipping the influence of Lloyds Register has a beneficent and important place.

HENRY GREATHEAD.

LLOYD'S INTELLIGENCE DEPT.

One of the most important functions defined under Lloyds Charter of Incorporation is "The collection, publication and diffusion of intelligence and information respecting shipping."

In the pursuance of these objects a most wonderful organisation has been developed which in extent of range and efficiency of working has no parallel as an intelligence department.

Under the powers conferred by Lloyds Signal Stations Act of 1888 the Corporation of Lloyds has established signal and wireless stations at many important points on the coasts of the United Kingdom and abroad, thus obtaining early information of the movements of both British and Foreign Merchant shipping and enabling them to be in touch with every port in the world. Immediately that one of the 2,000 of Lloyds agents telegraphs Lloyds that there is a vessel in distress in his district endeavours are made to inform those interested in both ship and cargo and to obtain special instructions from the Underwriters concerned.

This procedure has been of enormous benefit both to the mariners of our ships at sea and to the owners and Underwriters on shore.

Further, by the Derelict Vessels (Report) Act 1896, Masters of British ships are required to give notice to Lloyds agents as to derelicts and wrecks passed in their voyages, which information is then published by Lloyds.

According to English Law the Master of a Vessel has control (as agent of the shipowner) over both ship and cargo and is responsible for both.

Nothing less than a special power can take away this control over the property confided to his charge.

At Lloyds is maintained a "Captain's Register," showing the services of every Master in the Mercantile Marine; and at the "Inquiry Office" the relations of the crew or passengers in any vessel may obtain information free of charge concerning the movements of that vessel and any matter of interest to them.

Mr. Percy G. Mackinnon, the late Chairman of Lloyds, who is also a member of the Committee of Lloyds Register of shipping, when addressing a company of some 500 officers and men of the Mercantile Marine who were the guests of the Corporation of Lloyds at the foundation stone ceremony of the New Lloyds by H.M. King George on May 23rd, 1925, said: "The members of Lloyds are very conscious of how greatly the nation is indebted to the Merchant Service and how great a part it plays in the life of the British Empire. We here at Lloyds are always in touch with your life at sea.

"We have a minute description of practically every ship in the world; we have records of the life history and qualifications of every British Master Mariner.

" Members of Lloyds have shown their sympathy with seafarers from very early times.

" The Committee of Lloyds also presents its medals to mariners for the Saving of Life at Sea, and also for Meritorious Services in connection with the preservation of ships and cargoes."

WAR SERVICE.

" Lloyds Service medals were considered to be peculiarly appropriate for showing how much the members of Lloyds appreciated your gallant conduct during the Great War and something like 250 medals were given in recognition of the bravery shown by the officers and men of the British Merchant Service in connection with attacks on their ships by enemy submarines.

" At Lloyds we are in a position to know what gallantry was shown by the members of your calling during that terrible time. The number of British merchant ships sunk by enemy action during the war was 2,500, representing about 8 millions of gross tonnage; 14,287 officers and men lost their lives; 1,890 British ships, with a tonnage of about 8 millions gross, were attacked but escaped destruction. Finally, about 150 officers were taken prisoners by enemy submarines, and this, it is almost unnecessary to remind you, entailed sufferings that we at Lloyds, who had fuller particulars than many of our fellow-countrymen, were especially able to understand."

LLOYDS AND THE LIFEBOAT SERVICE.

This reference of Mr. Mackinnon's to the Saving of Life at Sea brings us to one of those deeds, small in its beginnings but far reaching in its consequences, one that will be associated with the name and fame of Lloyds for all time, viz., the provision by the members of Lloyds of the first life boats on our coasts.

Thirty-five years before the National Life Boat Institution was founded in 1824 the first lifeboat was built on the Tyne by Henry Greathead at a total cost of £150. She was named " the Original " and her design was the result of numerous experiments based on the model for a self-righting boat invented many years previously by a certain Wm. Wouldhave at South Shields.

" The Original " was an open rowing boat 30 ft. long made buoyant by a cork lining. She served for 40 years and saved hundreds of lives.

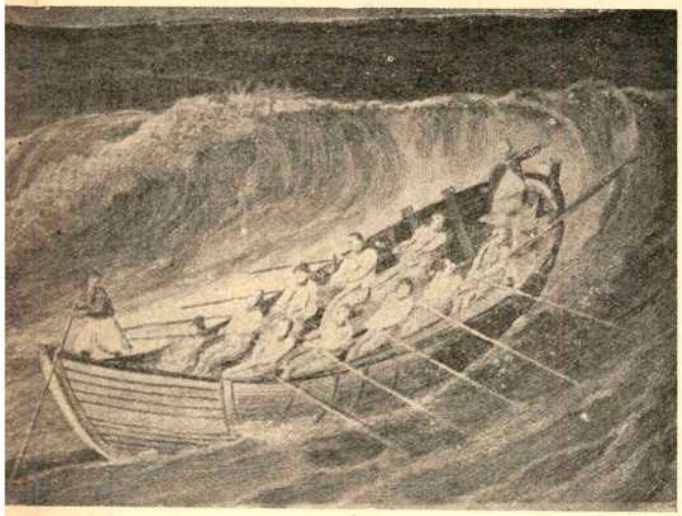
The British Isles look comically small when you see them on a map of the World or even of Europe but they have one thing which is immense—their coasts. How many realise what the coast is? It is 5,000 miles long. If it were stretched out in a straight line it would reach right across the Atlantic and the continent of America to the Pacific shore and it is the busiest coast in the world. When the Father of Lloyds, the great John Julius Angerstein, was approached by Greathead for assistance he, with his usual

Lloyds Medal for Saving Life at Sea.

(Authorised by General Meeting of Members of Lloyds, 21st September, 1836.)

The medal of the Society is presented by the Corporation of Lloyds as an honorary acknowledgment to those who have by extraordinary exertions contributed to the saving of life at sea.

sagacity, realised that a service essentially national in its character was starving for want of funds. So in May 1802, on the initiative of Mr. Angerstein, a resolution was passed by Lloyds " That the sum of £2,000 sterling be given out of the funds of this House into the hands of the committee for the encouragement of lifeboats being instituted in different parts of the coasts of the three kingdoms." This sum was expended in the building and equipment of 14 lifeboats and further donations were afterwards



The "Original."
Drawn from a model presented by Greathead to the Admiralty.

made which went to the building of yet more boats, whilst the original 14 which were stationed round our coasts were maintained by members of Lloyds until they were taken over by the Royal National Lifeboat Institution, which, since it as founded in 1824, has given rewards for the rescue from shipwreck round our shores of over 60,000 lives. This means that on an average eleven lives have been saved every week for a century. Such is the result of the work commenced by the benefaction of Lloyds 124 years ago.

DEVELOPMENT OF THE LIFEBOAT.

When the Institution was founded there were 39 lifeboats round our coasts privately provided, ill equipped, precariously maintained. Contrast that with the lifeboat service of to-day with over 200 lifeboats, with 3,000 men round the coasts, trained to man the boats, and about the same number, both men and women, trained to launch them.

The modern motor lifeboat costs from £4,000 to £12,000, she is 45 feet long, and instead of cork she has 130 air cases to make her buoyant, that is to say she has as many watertight compartments as a modern battle cruiser, and is practically unsinkable.

Instead of oars she has sails and a 76 h.p. engine, she has a crew of eight and can take about 100 people on board in addition to the crew, and is provided with accommodation where the ship wrecked can be given immediate shelter, and she is provided with a line-throwing gun and searchlight.

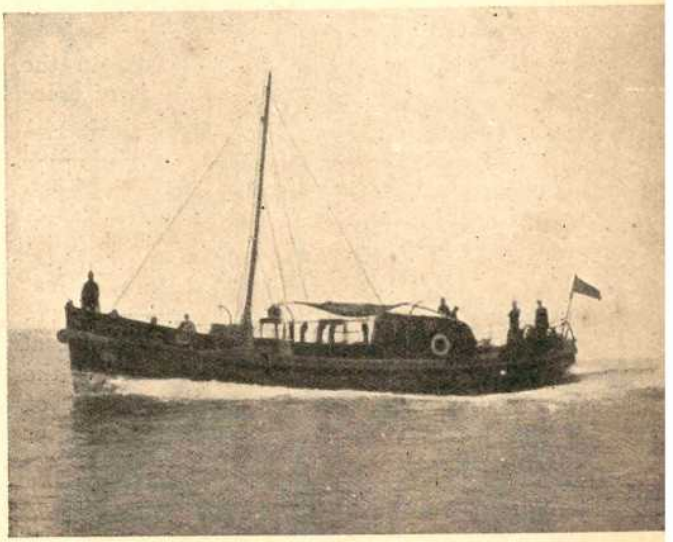
The illustrations we are enabled to produce by the courtesy of the Royal National Lifeboat Institution speak louder than words in showing the tremendous advance made in saving life at sea during the century the Society has carried on its devoted work.

THE "RED CROSS OF THE SEA."

The Lifeboat Service has been aptly described as the Red Cross of the Sea ,and the influence of its work on the spirit and morale of mariners has been of inestimable value. None have realised this sooner than the members of Lloyds, whose benefactions have been widely continuous and generous. It is of interest to note that the present chief Inspector of lifeboats, Capt. Howard J. F. Rowley, C.B.E., R.N., is a descendant of Mr. Angerstein.

It is difficult to leave this fascinating story of Lloyds and its evolution from the Coffee House in Tower Street some two and a half centuries ago. Founded upon honour and integrity its history embodies the highest qualities of British commerce and enterprise.

Remembering the story of the past, we may confidently look forward to still greater expansion and devlopment of Lloyds in the future. Long may it flourish to continue its association with our National well being and to carry on its devoted work for those ho go down to the sea in ships and have business in the great waters.



The 60ft. Barnett Twin Screw Motor Lifeboat.
(60ft. x 15ft., with two 80-h.p. engines.)
Built in 1923, and stationed at New Brighton, Cheshire.

The Woman in Business.

The Shorthand Typist and After.

By MICHAEL RENTON.

IT goes without saying that, in order to forge ahead in business against the vested interests of men, and the lingering prejudice of those who still think the only place for women is by the domestic hearth, a healthy spirit of ambition is the first essential.

Many young business women of ability, after a few years' experience in conservative offices in which promotion is so slow as to be almost non-existent, lose heart and give up all hope of advancement.

They continue to do their work efficiently, because efficiency is a part of their character, but the tendency is for them to become mere routinists, and then they may well despair of promotion. This *défaitiste* attitude is the greatest handicap to individual success, and a resolute attempt should be made to overcome it. The way to do so is continually to call to mind examples of the brilliant business successes already achieved by women. There is no lack of such examples, and they are daily increasing. There are to-day over 250 women company directors. In London alone there are reputed to be several women with incomes of £10,000 a year.

Striking evidence of the advancement of women in business is afforded by the membership of the London Chamber of Commerce. Two years ago there were only five women members of the Chamber; to-day there are no fewer than 110, and a prominent official of the Chamber recently stated that most of them must be earning at least £2,000 a year. These facts afford no justification for pessimism. The business woman executive has arrived.

ON GETTING OUT OF THE RUT.

But it will be asked how is the shorthand-typist to equip herself for an executive post? How is she to get out of the rut?

First, she must determine to become a definite personality in the business. She must regard responsibilities as opportunities, and learn to welcome them. The woman who is eager to accept responsibilities, and to whom they can safely be entrusted, will never lack appreciation.

Self-confidence can be cultivated; it is very quickly developed by experience of difficulties, and the consciousness of having overcome them. The woman in business must never forget that the modesty which is expressed by a paralysing diffidence is no longer a quality but a handicap.

SPECIALISING.

Above all, she must specialise. Mastery of shorthand and typewriting, good English, clear speech and a pleasant manner: these are the essential foundations of business success, but they are only the foundations. The mark of distinction is a speciality.

The nature of the speciality will depend on circumstances; on the kind of business in which distinction is sought, on taste and temperament, and on the opportunities available. But probably the most useful speciality for the average shorthand-typist is a practical mastery of commercial arithmetic and a thorough grasp of the principles of accountancy. There are plenty of facilities for acquiring them.

Without this essential knowledge of accountancy the management of modern business enterprises is a "dark forest" indeed. With it, the shorthand-typist is immediately in a position of advantage. By reason of her ordinary duties she is brought into the closest touch with her principals, the managers, or departmental heads of the concern, and her accountancy knowledge will furnish her with such an intelligent and ready grasp of their special point of view in the conduct of business transactions as cannot fail to attract favourable notice.

Other useful specialities include a knowledge of languages, and here it may be suggested that a mastery of German or Spanish rather than French, of which almost everybody nowadays has a smattering, is likely to prove most valuable.

Next month we shall deal with the openings for capable women which exist in various specialised branches of business, and to which the shorthand-typist may legitimately aspire.

How to Enter the Export Markets.

DIRECT OR INDIRECT TRADE ?

Some Timely Advice from Mr. GILBERT VYLE,

President of the Association of British Chambers of Commerce.

AN opportunity was recently granted the writer to chat with Mr. Gilbert Vyle, the President of the Association of British Chambers of Commerce, and Managing Director of Messrs. W. & T. Avery, Ltd., over some vital problems of foreign trade, and to secure the opinions of that expert on certain vexed questions of export trade procedure. To a blunt introductory enquiry as to whether direct or indirect trade were the better policy, from the standpoint of the small British manufacturer who sought to sell goods to overseas buyers, Mr. Vyle instantly answered, "The small man should use *every* method that is within his knowledge and capacity. There are a variety of ways of getting in touch with foreign buyers, and all have their points. The merchant shipper plays a very important part, especially in regard to the smaller manufacturer, for such small manufacturer has not the capital or the staff at his disposal to enable him to search out world markets for himself. He will, therefore, be wise in taking advantage of the organisation and goodwill—a very important one—of the merchant exporters of this country. Some years ago this practically meant that the manufacturer had to abandon his identity; in other words, that he had no name, and worked entirely under the wing of the merchant exporter. This is not so largely the case to-day, since it has been discovered that the manufacturer himself has a goodwill, and that there is nothing to be afraid of even if the name of the manufacturer is known.

SMALL EXPORTERS AND EXPANSION.

"Obviously the best method by which the small exporter—or the small would-be exporter, if you will—can widen his markets, is by making himself and his products personally known to the market. For some years now there has been a very simple method by which the right kind of publicity can be gained at very small expense: it is by taking space at the British Industries Fair. There are, of course, other useful methods—announcements in trade and export journals, correspondence with overseas chambers of commerce, the appointment of competent overseas agents: yet the establishment of the British Industries Fair has made available to the small man an unrivalled opportunity to make an economical first step towards export trade. It is remarkably cheap, too. By staging there such specialities as he produces, he will be brought under the observation of the right people—the large class of colonial and foreign buyers who are expected to attend the Fair this year—and they will certainly be here in greater numbers than ever before. Thus he will come in contact with the actual buyer and can convince him on the spot of the special merits of his products and of his capability to give delivery as and when required. Further, such little changes in design as may be desired in a certain market can readily be explained on such an occasion, and in every way an intelligent and friendly contact between seller and buyer—otherwise practically impossible to the small man—can be secured.

"'TWIXT CUP AND LIP."

"Here, perhaps, a word of caution might be given. For the manufacturer who is not used to foreign trade there are a number of minor snags between completion of the order and satisfactory settlement with the consignee. Hence it may still be wise for him to arrange with some shipping house for the exportation of his goods and the collection of the money. True it is that the Department of Overseas Trade can give great assistance to the manufacturer by telling him, to some extent, whom he can trust; but there are a certain number of petty formalities in connection with shipping—through rate quoting, securing of documents, inspection and delivery on the other side, etc., that are really altogether outside the organisation of the small man, and therefore the help of the exporter is a very real one and well worth paying for."

MERCHANTS AND AMALGAMATION.

To the suggestion that the growing tendency toward amalgamation in the industrial field might sound the death-knell of the merchant shipper, Mr. Vyle responded, "There is no doubt that the amalgamation of firms such as is now taking place means that much more business is being done direct, because the larger manufacturer has got the necessary machinery and experience which enables him to distribute his products throughout the world

in a way that the smaller man could not do. To some extent, therefore, industry tends to become independent of the shipper, and probably events will continue to move so that the main function of the merchant shipper will in the future lie along the lines of the 'parcel' trades rather than with bulk consignments or the costly technical product—electrical equipment, for example—which finds its purchaser as a result of a specialised publicity and representation campaign, and may require technical advisory service at its installation.

PASSING OF THE "OPEN INDENT."

"Nevertheless, the merchant shipper who, as the descendant of the old merchant adventurer, has been the pioneer in building up British export trade, still exercises a strong and beneficient influence over British trade in very many countries; more especially in native markets, where his detailed knowledge of credit conditions enables him to initiate business and accept financial responsibility therefor, in a way that the manufacturer could not attempt. Probably, in the past, the fault —although 'fault' is a strong word, since knowledge grows with experience, and after-wit is easy—was that the shipper sought to keep apart the actual buyer and seller, retaining for himself the key position. At one time this was almost inevitable, but with the advance in methods of communication, travel and publicity it become increasingly difficult. Manufacturers began advertising in overseas markets, both by the written and the spoken word, and to-day the old system of open indents, which left full discretion as to the source of supply of goods to the merchant house, is largely giving way to the specific indent. The main aim of the manufacturer must, therefore, be so to impress a buyer with the merits of his goods that they shall be specifically indented for.

QUALITY AND THE BRAND NAME.

"This leads one to remark on, and to encourage, the growing custom of choosing a trade mark or a brand name, and setting out to make that mark synonymous with quality and reliability, so that it may be demanded again and again by overseas customers. In this perfectly fair and legitimate manner the manufacturer may combine the best features of direct and indirect trading, with safety to himself and with true economy in that the detailed tasks associated with shipping are still performed by those best accustomed to such work."

To an enquiry as to whether the export credits schemes of the Government were not, to some extent, usurping the function of the merchant shipper, Mr. Vyle at once gave a friendly negative. He pointed out that the Government scheme goes further, and is intended to go further, than will the average merchant. It does something that the merchant will not do. Indeed, both merchants and manufacturers are free to take advantage of the scheme and do, in fact, utilise it constantly, since it virtually enables them to extend their dealings by giving them command of more capital than hitherto. While giving sincere eulogy, too, to the Form K. scheme initiated by the Department of Overseas Trade, Mr. Vyle considered that the merchant shipper was still performing valuable specialist service along similar lines, and was taking also from the shoulders of the manufacturer the detailed functions of shipping and delivering.

SENTIMENT AND PRICE.

Mention was made of the criticism sometimes uttered to the effect that the merchant shipper had not at heart the specific interests of *British* manufacturers, but was prepared to buy from whatever source—British or foreign —offered him most advantageous terms. Questioned as to whether British export trade would not be best advanced, therefore, by encouragement of *direct* trade, Mr. Vyle repeated that *all* methods are of use, and that the method of getting one's own goods indented for is obviously the practical man's answer to whatever justice there might be in the criticism. The merchant shipper, naturally, is a keen buyer, and it may be true that in some cases price rather than quality has weighed with him; but clearly that state of affairs is passing and the shipper, though continuing to perform extremely useful functions which retain for him an integral place in the machinery of overseas trade, will no longer be a dominating factor in an appreciable proportion of the overseas markets.

Mr. Vyle's concluding word was one of optimism. "A record number of buyers are expected at the forthcoming British Industries Fair, and the fact that all available space is taken proves that British industry is out to seize the opportunity."

Solve the Language Difficulty

by using Esperanto. No longer a project but a proved success.

Esperanto can be learnt in one-eighth of the time required for a national language.

Full particulars in the "B.O." packet, price 3d., post free.

THE BRITISH ESPERANTO ASSOCIATION,
142, High Holborn, London, W.C. 1.

The "B.O.M." International Service.

A service of practical value to Manufacturers and Exporters seeking new markets for their goods, buyers or agents, and to Importers seeking foreign lines to handle on their own account, or on an agency basis.

Specially written for "Business Organisation and Management"

By C. W. FRERK, V.D.R., M.I.E.S.,

Editor and Manager of "The International Economic Magazine,"

Delegate for the British Empire of "The International Economic Society," "V.D.R." Association of Advertising Men, etc.

EDITORIAL NOTICE on p. 271 should be consulted for conditions of how this Service may be taken advantage of.

WE must confess that we have been happily surprised at the ready response with which the first "B.O.M." International Service published in the January issue of this magazine has met. Letters from many parts of Great Britain and foreign countries, in which the writers express the opinion that this Service is filling a long-felt need in British business journalism, have been received. We are, of course, proud of this instant success, because it was hardly expected from the very first issue. The response we have had proves that British manufacturers are open to receive advice and guidance in matters concerning export marketing and international co-operation, and we shall do our very best to continue the good work. It is a great encouragement to keep the promise made in the last issue, with reference to enlarging this useful section. The present issue has been enlarged, and it will not stop here.

We have only one favour to ask of the readers of this magazine, and that is that we should like to know your opinion. You may have some enquiries, or queries, or suggestions to make. By all means let us hear of them. Co-operation on the part of the readers is the most essential thing for this section, if it is to be of practical value not only to one section of our readers, but to all of them. Individual and joint co-operation will enable us to make this section brim over with convertible marketing hints and advice.

Our Service Forms—B.O.M.1 for manufacturers and exporters, B.O.M.2 for importers—have now come from the printers. Do not fail to ask for a form, if you are at all interested in the one or the other form of international marketing.

The present issue contains a number of new features, and 89 enquiries from overseas and foreign countries. Just now we are preparing a series of analyses of foreign markets, with statistics and tables enabling the manufacturer and exporter to adjust his marketing efforts accurately to the conditions and requirements prevailing in the various foreign markets. These analyses will be invaluable to your export manager. You should get a second copy of B.O. especially for him.

Just one more request. It will be an advantage if firms who require further information or advice on subjects discussed in the various "Marketing Hints" will kindly deal with each item on a separate sheet, and quote as reference the headline of the item, adding the month of issue of this magazine, e.g., Ref. "Business Opportunities in Latvia," B.O.M. Int. Service, January, 1927, or "Enquiries from Abroad" (1), (3), (5), B.O.M. Int. Service, January, 1927. This will greatly facilitate matters when dealing with your enquiries.

A promise was made to deal more fully with the problems of export-marketing. The article is following those editorial comments, and we trust it will prove useful. The main thing, of course, is that our readers shall take an active interest in this Service Section, and we are perfectly certain that it will pay everyone to do so. After all, it is your own magazine, and you should not withhold your opinions about it, or any suggestions you may have to make, or enquiries and queries and wishes you wish to have fulfilled.

THE LEIPZIG SPRING FAIR.

6th to 12th March, 1927.

On account of the number of its visitors and exhibitors, not to speak of its large turnover, the Leipzig Fair is one of the largest, probably the largest International Fair in the whole world.

At the beginning of March every year about 160,000 buyers from 44 different countries visit the Leipzig International Industries Fair. This Exhibition offers the greatest opportunity of buying and comparing on the spot goods of all kinds, from all parts of the world. Over 11,000 exhibitors from 21 different countries are personally represented at this Exhibition, including the most important firms in Europe.

At the Leipzig Fair will be found, for example, the following:—

Art and art craft exhibits, leather goods, etc.	512
Building exhibits	251
Chemical, pharmaceutical and cosmetic articles, foodstuffs, etc.	475
Electro-techn. goods, cinema, photo and optical, as well as fine mechanical exhibits	249
Foreign exhibits of all kinds ...	225
Glass and ceramics	610
Heating and gas exhibits	66
House and kitchen utensils, lighting fixtures, furniture and haberdashery	1,775
Iron and steel goods, tools and machine tools	385
Motor-cars, motor-lorries, machinery and accessories	282
Musical instruments	138
Office furniture and requisites ...	292
Paper, books and graphic arts exhibits, packing and advertising material	1,811
Precious metal, watches and jewellery	186
Shoe and leather	256
Textile goods of all kinds	1,189
Toys, sport articles and sports clothing	834

Other branches of the Exhibition are also fully represented in every respect. One can find practically everything at this Exhibition "from a pin to an anchor."

The Fair is thoroughly international. Austria, Czecho-Slovakia, Italy, Switzerland, Mexico, the United States, the South American Republics, and many other countries possess their own Fair Buildings at Leipzig, and now, at the forthcoming Spring Fair, a British Section will be opened in one of the most modern Fair Buildings in the world, the Ring Messhaus, a photograph of which is published on the reverse side of the coloured inset. The British Section was inaugurated in 1925 with the object of increasing British export trade. Only 13 British firms participated then, and they were highly satisfied with the results obtained. One of them received over 2,000 enquiries at the Fair, from visitors from all over the world; another firm sold a great number of their machines and, what is more, they have been reeceiving orders all the time after the Fair was closed and they had returned to England.

More than 30 British firms have booked space this year, and the first floor space in the new building has been completely filled already by British manufacturers. One or two might be mentioned: *Calenders' Cable & Construction Co., Ltd., Horrockses, Crewdson & Co., Ltd., Lang Pen Co., Ltd., Concrete Equipment Co., Dunlop Rubber Co., The London Midland and Scottish Railway, the London and North Eastern Railway, the Indian Government,* and a number of other important and well-known firms, whose names are household words in Great Britain.

Two qualities especially distinguish the Leipzig Fair—its international and its universal character. Not only are its buyers international, but its exhibitors also come from countries all over the world. For centuries the Leipzig Fair has been attended by wholesale buyers from the remotest countries—Turks, Armenians, Tartars, Persians, Japanese, Indians, Chinese, etc., and, of course, visitors and buyers from all the European countries, and Australia, Canada, the United States, South and Central America.

The space occupied by the various Exhibition buildings is over 500,00 square yards, and is constantly being added to.

Well-known Englishmen, who have visited or exhibited at the Fair, have said on their return that the nations of the world who come

to Leipzig to buy should have the opportunity of seeing British products exhibited there, and that it is to be hoped that this country will quickly realise the importance of exhibiting at the Leipzig Fairs, where 200,000 visitors and more, mostly buyers, assemble.

We fully agree with this opinion. Britain cannot afford to stand aloof while other countries come in in increasing numbers.

It is quite impossible to do justice to that wonderful Fair at Leipzig, which is held twice a year; it must be seen to form an adequate impression.

We are asked by the London Office of the Leipzig International Industries Fair, 1, Gower Street, to state that, although the Exhibition does not take place until the beginning of March, the space available is being rapidly booked, and the necessity of an early enquiry at their offices must be emphasized. Their Scottish office is at 166, Buchanan Street, Glasgow.

The Leipzig International Industries Fair is of high importance for the economic life of all Europe. This big selling and buying organisation is based upon solid traditions and has a world-wide reputation. It has developed to an extent which nowhere has ever been reached yet. This fact is proved by the statistical figures mentioned hereafter:

Exhibitors at the Leipzig Spring Fair in 1914	4,253
Exhibitors at the Leipzig Spring Fair in 1926	10,667
Buyers at the Leipzig Spring Fair in 1914	20,000
Buyers at the Leipzig Spring Fair in 1926	140,000
Buyers coming from abroad at the Leipzig Spring Fair in 1914	4,200
Buyers coming from abroad at the Leipzig Spring Fair in 1926	20,000

Problems of Export Marketing.

A great number of manufacturing exporters are still grossly neglecting the importance and necessity of studying their foreign and overseas markets, and of procuring very detailed information about the countries in which they wish to sell, before starting their selling—or advertising campaigns. It may be that they are dreading the expense involved by this market study or market research, by which name it is better known. Or it may be that at times they receive an unusual number of enquiries from certain parts of the world, which makes them believe that there are exceptional prospects in those parts. There have been enquiries which have induced many a manufacturer to start a wholesale campaign directed on the markets from which the enquiries came. They do not attempt to find out first whether their products are suitable for these markets, whether or not existing home industries or competition of neighbouring countries, or existing tariffs, etc., cut out every prospect of selling their products in these markets.

It is a condition, *sine qua non*, for every manufacturing exporter, before he starts his selling campaign, to investigate the foreign markets thoroughly, to study the market conditions, possibilities and limits of the demand for his goods, the strength of home or foreign competition in the market, his competitors' prices and selling-terms, and trading methods and advertising policies, also, for certain articles, climatic conditions, and a host of other things of vital importance.

Even those firms who before the war have been successfully established overseas, who had their regular connections, their own agents and sales-organisation, or perhaps even their own branch offices, should not fail to investigate these markets again, before they spend large sums on establishing their new sales-organisation. It is cheaper to investigate first and then to adjust your plans, than to spend hundreds or thousands of pounds on catalogues, price lists, circulars, samples, travellers, etc., which are sent out into the world, aimless, planless, without any knowledge of the fundamental conditions prevailing.

We must realise that business prospects are less good in countries with home industries, and in connection with this we must remember that quite a large number of countries that had no industries worth mentioning before the war,

have now established industries which offer a great amount of competition and resistance to our manufacturers, who try to re-enter their markets. This is particularly the case with most of the European countries, and, of course, the United States and Japan. I do not mean to say that there are no prospects for British manufacturers on these markets. In fact there are excellent prospects, but the demand is in many cases for different classes of goods to-day than it was before the war. Economic conditions have changed all over the world, and what was a matter of fact in 1913 is not necessarily so in 1927. Again, in view of the competition, not only on the part of other foreign manufacturers on the markets which we wish to enter, but also on the part of increasing and expanding home industries in the industrially and commercially progressive countries, more careful planning, greater advertising and other efforts behind the selling is necessary; a more thorough knowledge of the markets, buyers' tendencies, consumer habits, changes of fashion or tastes, etc., than in markets with very little home industry or none at all, as is the case in the Near and Far East, partly South America, Central America, the West Indies, the Pacific territories, etc.

I think our readers will agree with what we explained with regard to countries with expanding home industries. It is also a fact that in many countries (and particularly so in Great Britain in recent years) newly established home industries are given a good deal of assistance and preference, although their prices may sometimes be higher than those of foreign competitors. This preference is frequently expressed in high customs tariffs, import restrictions, etc.

With regard to the industrially and commercially lesser developed countries, it is of equal importance to procure authentic data on which to work and plan one's selling efforts. A study of local conditions and requirements is absolutely essential for these markets, although it is frequently difficult for the manufacturer himself to obtain such information he requires. The British manufacturer must always keep in mind that he may not be the first to enter these markets, and that especially the Americans and the Germans are very busy indeed to secure the lion's share. Local industries may not exist, or have little influence, but other factors become rather weighty, and must, therefore, be taken into consideration; shipping conditions, for instance, and customs regulations, climate, languages, operations of other foreign manufacturers on the same market; even native religious customs and habits, and superstitions, may necessitate changes in appeal and selling methods, and advertising policy.

A very simple illustration will suffice. Take Cuba, a country with extremely good prospects for selling furniture of all kinds, household or office furniture, paper and stationery goods, etc. Manufacturers of these goods who wish to export to Cuba, should bear in mind that only furniture of hard woods, such as mahogany and cedar wood, and particularly office furniture of steel, will sell successfully. WHY? In Cuba (and also in many parts of South and Central America, in the Philippines, etc.) an insect, called *comejen* is found in large swarms, which deteriorate even the thickest desk tops and legs, if they are made of birch, beech or insufficiently seasoned oak; complete pieces of furniture have fallen to pieces after a very short time, by the operations of these destructive insects. The same insect seems to have a particular liking for paper, cardboard, etc. Cautious firms, therefore, supply stationery and paper in tins.

This example may already be known to some of our readers, it is only given to illustrate the point of view.

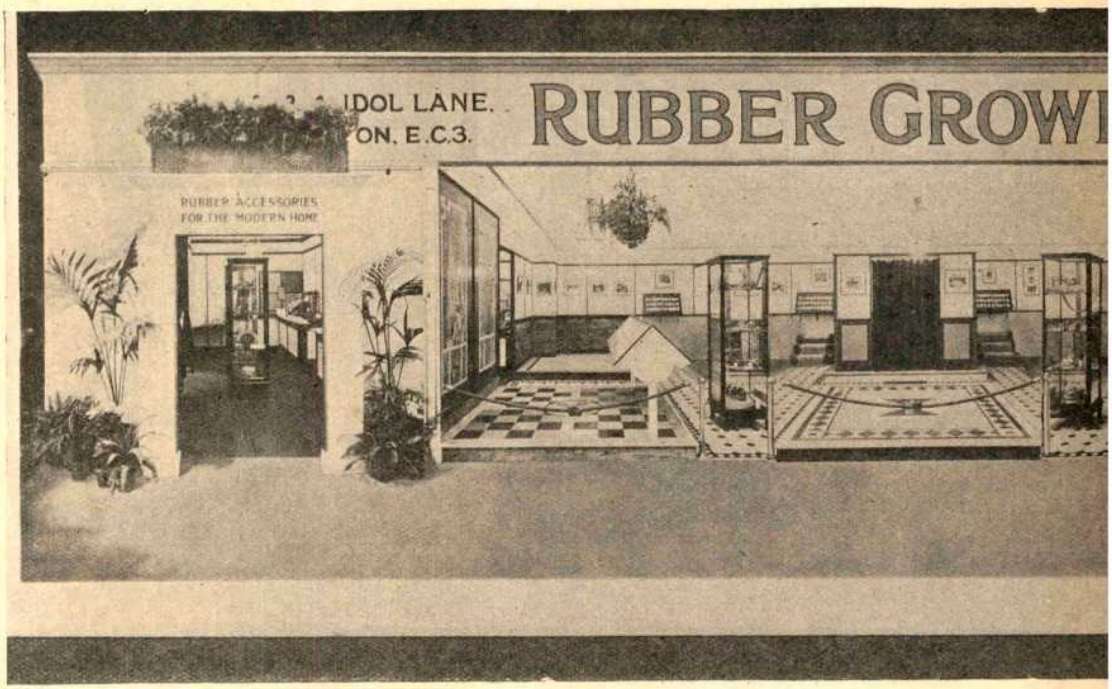
The following are the vital points on which the manufacturing exporter should obtain data and information before he launches his selling campaign:—

(1) He must find out first of all whether his articles are at all saleable in the foreign market.
(2) Whether home industries exist, and if so, what is their strength, capacity of production, their prices, quality of their products, etc.
(3) Details of foreign competition on the same market.
(4) Price tendencies.
(5) Language and currency, weights and measurements, etc.
(6) Buying and selling habits, wholesale and retail organisation.
(7) Terms of delivery and payment, credit arrangements, status enquiries.
(8) Shipping conditions, freight and carriage rates.
(9) Service of agents and distributors, exhibitions, fairs, etc.
(10) Local climatic conditions and peculiarities.
(11) Consumer habits and customs, religious requirements and laws; tastes, fashions.

(12) Customs tariffs and regulations, merchandise acts; advertising methods, and regulations.

How to procure this information and data, and how to put them, when obtained, to practical use and service frequently offers problems and difficulties to many firms. These points will receive particular attention in our next issue, amplifying the substance of this article, and illustrating suggestions and advice, in order to make this and following articles on export marketing problems really convertible for readers.

First of all, the typewriter keyboards should be adapted to the Czech alphabet; they must have an enlarged keyboard, because the Czech language is making headway, and the German language is no longer predominant. Portable typewriters are not very popular. Adding, listing and bookkeeping machines could do a fair amount of business, if they were more largely advertised, and if manufacturers went to the trouble of issuing educational literature. Of rotary duplicators, some German, Austrian and English machines are used, and there is plenty of scope for other types. For



Stand of Rubber Growers' Association 20 ft. deep 90 ft. wide.

SELLING OFFICE EQUIPMENT IN CZECHO-SLOVAKIA.

Comparatively little attention is paid by British manufacturers of office equipment and office machines to the Czecho-Slovakian market, which, though its geographical extent is small, is a very potential market for modern office appliances. Up to now the Germans are securing most of the business in this market, which is, of course, mainly due to their neighbourhood, which enables them to study the Czecho-Slovakian requirements more closely.

There are a few points which the British manufacturer should study before launching a campaign in Czecho-Slovakia, if he wishes to get adequate returns for his selling efforts.

addressing, a German machine is doing the best business, but English machines would undoubtedly secure a substantial share of this trade. The copying machines are very little used in private businesses, but on the other hand they have been successfully introduced into banks, large factories, government offices, etc. Some dictating machines are sold.

Small office devices, such as pencil sharpeners, paper fasteners, dating and numbering machines, etc., are in great demand. Clips, stamps, fountain pens, pens, copyholders, moisteners, blotters, shock absorbers, ink stands, etc., would find a ready market, well worth tackling.

There are very little chances for wooden furniture, because Czecho-Slovakia has a well-

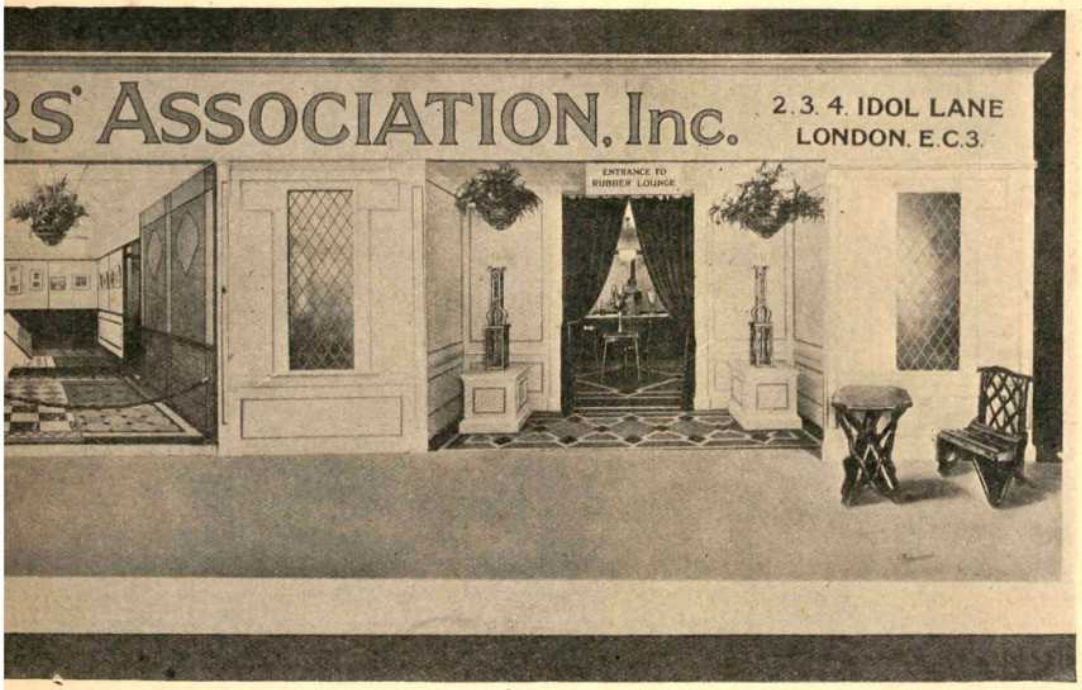
developed wood-working industry. But here again, English steel furniture would do most satisfactory business; steel filing cabinets are very popular with the Czech business men, and their selling deserves more attention than has hitherto been paid to this class of trade.

Typewriter ribbons and carbons are made in the country, and English firms would find little business in these lines, except for the highest grade qualities. But all pastes are imported, so are duplicating accessories, stencils, etc. Besides, every original good speciality would find potential buyers.

Czech firms, as the Editor is personally connected with several Czech business organisations.

REDUCTION OF RAILWAY FARES DURING PRAGUE FAIR.

Visitors to the Prague Spring Fair (20th—27th March) will benefit by a 50 per cent. reduction of the railway fares in Czecho-Slovakia. The same reduction is available to visitors travelling through Southern Slavia, and by the South-Slavian Steamship Companies at Dubrovnik, Susak, Kotor, etc.



Specially built at a cost of several thousand pounds for the Brewers' Exhibition in London. Is in sections and re-assembled at Leipzig.

In general, the consumers prefer the somewhat more expensive but first-class article to the cheaper lines, and, with an adequate amount of well-planned advertising, to support local distributors and representatives, this country would certainly yield welcome orders. In conclusion, I should draw attention to the annual Prague Fair, which has become a very important factor in that part of Europe. Prague may be considered as an important jumping-off ground for business in the whole of South-Eastern Europe, especially with Yugo-Slavia, Bulgaria, and Roumania. Publicity matter should preferably be sent out in Czech and German. The B.O.M. Service Bureau can advise on business connections with

BUSINESS PROSPECTS IN COLOMBIA.

Similar to the Argentine and Brazil, also Colombia is making headway in industrial and commercial developments, and the establishment of home industries. Foreign manufacturers who open branch factories in Colombia meet with very favourable conditions with regard to reductions of rates and taxes, and, of course, such firms will be able to secure a good share of the business available in this rapidly developing market. The following industries are especially required to establish themselves in Colombia:—Brush and broom factories, button factories, breweries, hardware and household goods factories. A consequence of these develop-

ments is an increased demand for construction of tramways, road improvements, road sweeping machines, brewery machinery, tools, wood—and metal—working machines, printing and paper working machinery, machinery for the brush and broom, button, aluminium and rubber industries. Enquiries are also coming to hand for railway material, tents, folding boats, celluloid, etc.

It is advisable to approach local authorities and commercial houses at once, as tenders are now being asked for.

LATVIA'S GROWING IMPORTANCE.

There is no doubt that the young Republic of Latvia is of considerable importance to the British manufacturer and shipper. Besides being a potential market for British goods, it is an important jumping-off ground for the trade with the other Baltic States, and especially for transit business with Russia. Direct dealing with the vast Russian market is very little practised so far, and it is considered safer and more successful to deal with Latvian firms who have their branches in Russia and know how to deal with that business better than the British shipper, who would have to overcome a great amount of difficulties, which would not make it worth his while to deal direct.

COMPACT FACTS ABOUT LATVIA.

Situated between 55° 40′ 22″ and 58° 5′ 22″ Northern latitude; between 20° 58′ 4″ and 28° 14′ 30″ Eastern longitude (Greenwich).

Republic of the Baltic. Independence Day, 18th November.

Flag: Red-White-Red.

Climate: Average temperature: +6°; 550 m/m. of atmospheric precipitations.

Frontiers: Baltic Sea, 494 km.; Esthonia, 347 km.; Russia, 269 km.; Poland, 93 km.; Lithuania, 487 km.

Capital: Riga (port).

Other ports: Liepaja (Libau), Ventspils (Windau).

Area: 65,979 sq. km. (38 per cent. of forests, 28 per cent. of pastures and meadows, 7 per cent. arable land).

Railways: 2,900 km.

Monetary unit: The Lat=2.2903226 grammes of pure gold (one gold franc).

Parity Lats 25—22 to the £; Lats 5.18 to the $.

Budget for 1926-27: Ordinary expenses, 108.4 million Lats.

Extraordinary: 57.31 millions. No deficit. Foreign debt, 64.87 millions or 0.65 per cent. of State assets of 2 milliard Lats.

Exports: Flax, timber, pulp, butter, bacon, eggs, preserved fish, liqueurs, glass, etc.

Imports: Machinery (agricultural), coal, salt, fertilisers, textiles, etc.

POPULATION OF LATVIA.

Total, 1,844,805, of which are engaged:—

767,230 or 68,333 per cent. in agriculture.

119,549 or 10.55 per cent. in industry and artisanship.

53,942 or 4.80 per cent. in trade and commerce.

31,471 or 2.80 per cent. in carrying and transport services.

13,931 or 1.24 per cent. in administrative, court and police services.

19,034 or 1.70 per cent. in the army and navy.

24,830 or 2.21 per cent. in various clerical branches.

30,178 or 2.69 per cent. in domestic and other services.

62,626 or 5.58 per cent. in various branches of business and professions.

DESIRE FOR ENGLISH EDUCATION IN TURKEY.

We understand that the Ministry of Commerce at Angora is very anxious that English should be taught in the Commercial School which has recently been opened at Angora, and it has been suggested that some arrangement be made by which a lecture or lesson in English be given in the School once a week.

Foreign countries are meeting this expressed wish in a different manner. In one instance, we understand, it is intended to give an extended course of lectures on agriculture and the uses of modern agricultural implements. In other instances it is intended to admit a few Turkish students recommended by the Authorities to foreign educational establishments, free of charge.

We think it would be in the interests of future British trade with Turkey, if the study of our language was seriously encouraged, because there is no doubt that a knowledge of the English language and the possession of a British technical education by the rising generation of Turkey will eventually lead to increased trading relations between Great Britain and Turkey, and it is for this reason

that the desire expressed should be amply supported.

To this communication might be added that educational influence should be much more exercised also in other countries. We create good will abroad by making the rising generations of foreign countries acquainted with our language and by giving them opportunities of studying our country, our industries and our commerce. Our magazine has always advocated educational pioneer work abroad as a basis for smoothing the way for successful and amicable business relationship with the countries concerned. The more we understand foreign people and their ways, and the more we and our ways are understood by foreign people, the better the chances for improvements in international trade.

MODERN PUBLIC BATHS FOR TURKEY.

The I.E.S. Constantinople Delegate writes:—

The Turkish Government is of late particularly concerned about attracting visitors to their cities, and is now making arrangements for the construction of modern public baths, similar to those in London, Berlin and Leipzig. Plans and suggestions are invited for consideration, and also tenders for all the material, furniture and fittings are required. It will also be necessary to engage expert engineers who have had a wide experience in the construction of public baths, and who could develop new plans. As there are very few industries in Turkey who could undertake the supply of the material required, it will be essential to import most of the requirements from abroad, and English and German firms are to receive first consideration. We advise interested parties to get in touch with the proper quarters at the earliest opportunity, as it will not be long before final arrangements will be made and negotiations entered into.

GOOD PROSPECTS IN PORTUGUESE EAST AFRICA.

We understand that economic conditions in Portuguese East Africa are improving visibly. Plans are made for the construction of a new electric power station and an electric tramway, new roads, a water-power station, harbour expansions, and for increased exploitation of existing iron and coal mines.

There is also an increasing demand for general merchandise, and engineering companies and others who are interested in these projects should communicate with us at once.

BRITISH LEATHERS AND COMPONENT PARTS FOR LEATHER GOODS FOR GERMANY.

The Offenbach (Germany) Solid and Fancy Leather Goods Manufacturers are again substantial buyers of British hides, skins (East-Indian goat and sheep skins), leathers, fibres, patent locks, fasteners, frames, and all other component parts used in making solid and fancy leather goods, travel goods, etc.

There is no doubt that, if British manufacturers and shippers of these articles would approach the Offenbach manufacturers they would be adequately rewarded with well-needed orders. Scores of Offenbach houses are already buying regularly at the London Auctions; a few English tanners and manufacturers have their agents in Offenbach, with whose results they can be satisfied, and there is much more business waiting for others.

However, the measures taken by British manufacturers to market their goods on the Continent seem to be very often highly inadequate. Many of them are content to leave matters entirely in the hands of the agent. They forget that he is faced with tremendous competition, and that, unless his efforts are backed by publicity and propaganda, they are rendered well-nigh fruitless.

The B.O.M. is very much alive to the possibilities of the services it can render to British tanners, leather manufacturers, and makers of component parts for the leather goods industry, and parties interested in this German market should communicate with us. We shall be glad to answer enquiries and to assist in establishing business connections with Offenbach manufacturers.

The Offenbach manufacturers are also interested in novelties in leathers and component parts.

PROPAGANDA IN SOUTH and CENTRAL AMERICA and MEXICO.

The Editor of the "International Economic Magazine" is preparing the following special issues, which we think will be extremely useful editions in which to announce British goods:—

February: European Fairs and Exhibitions Number, to deal with and to be distributed to exhibitors and all the visitors at the Leipzig, Breslau, British Industries, Lyons, Utrecht, Prague and Vienna Fairs.

March: Italian and Colonial Number, in Italian, for distribution in Italy, Corsica, Fiume, Albania, Tunis, Tripolis, Eritrea, Abyssinia, Italian Somaliland, Switzerland, Malta, and at the Milan, Manza, Prague and Basle Fairs.

April: Latin-American Number, in Spanish, for distribution throughout Spain, Argentina, Chile, Peru, Mexico, Costa Rica, Bolivia, Honduras, Cuba, San Salvador, Puerto Rico, Guatemala, Nicaragua, Panama, Ecuador, St. Dominican Republic, Paraguay, Uruguay, Colombia, Philippine Islands, Venezuela, Canary Islands, Madeira, Azores.

These special numbers are circulated to lists of importers, wholesalers, agents, retailers, and importers generally, compiled by the many Delegates of the International Economic Society in the various countries mentioned.

OVERSEAS BUYERS IN LONDON.

The following buyers from overseas are expected in this market on the under-noted dates:—

Date	*Buyer*	*Store*	*Merchandise*
Feb. 5	Mrs. Knox	R. H. Stearns, Co. Boston, Mass.	Millinery.
,, 13	Miss Ball	Stern Brothers New York.	Leather Goods.
,, 13	Mrs. Skillen	Mandel Brothers Chicago, U.S.A.	Millinery
,, 12	Mrs. Silver	Ditto.	Model Gowns
,, 15	Mrs. Booth	Ditto.	Junior Dresses
,, 6	Miss Christie	Ditto.	Infant's Wear
Mar. 6	Mr. Aldrich	The Halle Bros. Co. Cleveland, U.S.A.	Men's Fnshgs.
,, 4	Mr. Marks	Mandel Brothers Chicago, U.S.A.	Gloves Hosiery
,, 25	Mr. Ostry	Ed. Schuster & Co. Milwaukee, U.S.A.	Jewelry, Silverware H'k'chiefs
,, 26	Miss Gibson	Mandel Brothers Chicago, U.S.A.	Gift Shop

Manufacturers who are anxious to meet these buyers are requested to make early appointments, c/o Messrs. D. Roditi & Sons, 193, Regent Street, London, W.1.

HELPING THEIR ADVERTISERS MARKET THEIR GOODS.

The 28 leading daily newspapers of the state Iowa, U.S.A., have combined in the Iowa Daily Press Association, with the object of extending circulation and offering their advertisers a uniform merchandising help.

Every member of this Association pledges the following definite help in connection with any campaign using 5,000 or more lines in his newspaper:—

(1) Make a study of local market and trade territory, as pertains to the advertiser's specific product.

(2) Supply complete and accurate lists of retailers in the newspaper's city and surrounding territory.

(3) Introduce the advertiser's salesmen to a number of big retailers. Advise the advertiser as to relative sales standing of competing products.

(4) Urge retailers to feature displays of nationally advertised products. Furnish the advertiser with names of stores that will make use of window displays.

(5) Make market investigations for prospective advertisers.

(6) Urge local retailers to mention advertiser's products in their own advertisements.

(7) Send, on receipt of contract, a multigraphed letter to list of retailers in the territory, telling them of the campaign.

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(and LABRADOR).

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Get the Right Atmosphere.

The Value of Psychology in Business.

By THOMAS DIXON.

"You can put down on a costing sheet the difference in cash shown by the use of a new machine or a new process, but there is another asset equally real which you cannot put down, and that is the atmosphere created. In that atmosphere you have a value which is psychological but nevertheless real."

SIR PHILIP CUNLIFFE LISTER, President of The Board of Trade, at Business Efficiency Exhibition.

IT is not only the efficiency of things that matters. There must be efficiency of man-power as well as of machine-power if we are to get the best out of business.

In the promotion of man-power efficiency that subtle and wholly indefinable condition which we term "atmosphere," which really means the *morale* of the whole house, plays an enormous part. For it is the manifestation of the spirit that makes for hard, conscientious, enthusiastic work—the team spirit, the spirit of loyalty that means the readiness of the individual to sacrifice himself for the good of the undertaking as a whole.

CANNOT BE BOUGHT.

That is an atmosphere that cannot be bought; you cannot get it merely by paying wages. It cannot exist in the absence of respect for the employer on one side and sympathy with and interest in the lot of the workers on the other. The man who looks upon his workers merely as so many machines never gets loyal, willing, devoted service.

That is the psychological side of the question. The employer must give his workers the best that is in him if he is to get in return the best that is in them.

The material side is no less important. As Sir Philip Cunliffe Lister pointed out, the best of workers cannot do his best work unless he is supplied with the best equipment. Worn-out machines and antiquated methods take the heart out of really good men, creating an atmosphere of hopelessness that is fatal to efficient working. Given the best equipment and the newest methods and the right atmosphere which they do so much to create and even a second-rate staff will achieve marvels.

STIMULATING THE STAFF.

Only on the foundation of mutual good will and good equipment can you build the structure of complete efficiency.

Sir Philip Cunliffe Lister very rightly laid great stress upon the value of labour-saving methods and machines in producing the right business atmosphere. They unquestionably help to do so and when combined with a real interest in the workers their effect in stimulating the staff to a far greater personal efficiency and increased output is electrical. And among all the machines that help to create the desired atmosphere of good will and hard work the Dictaphone admittedly takes a leading place.

SIR PHILIP CUNLIFFE LISTER,
President of the Board of Trade.

The direct value of the Dictaphone, looking at it from the purely material side, in speeding up work is alone sufficient to justify its establishment in every well equipped office. But its indirect psychological value—the asset that cannot be put down on the costing sheet—is far greater.

It is easy to calculate very exactly the actual money saving to be effected by the Dictaphone in the handling of ordinary business correspondence: one has only to know the number of letters to be written and the size of the shorthand-typing staff. It is impossible to gauge the money value of the psychological improvement which the Dictaphone infallibly brings.

The Dictaphone gives to the business chiefs and executive men that sense of complete mastery over their work which, though purely psychological, is of supreme importance in establishing the "atmosphere" of efficiency. It confers what may be termed an "unconscious consciousness of power." The Dictaphone user knows, without thinking of it, that with the Dictaphone he can work with a degree of speed, accuracy and convenience unobtainable by any other method: that what he has to do he can do at once and finally dispose of; that he is absolute master of his own time and no longer dependent upon others for assistance. It is not necessary to stress the importance of feeling that one is the master rather than the slave of his work.

THE TONE OF CONFIDENCE.

But the Dictaphone does even more than this. It helps to diffuse the same atmosphere of confidence through the entire staff. For the chief sets the tone of every business house and when his work is done well and efficiently, with the minimum of effort and disturbance it is a plain fact that the work of the staff will follow suit.

Here, then, is the side of the Dictaphone where we have the factor of efficiency which cannot be put down in any costing sheet but is none the less of inestimable value. No wise man will omit psychological considerations when he is dealing with his staff and it is a plain fact that the silent, automatic efficiency of the Dictaphone exercises an immense psychological influence.

In mere money saving a Dictaphone installation will pay for itself in a year. It will do far more in speeding up work, in increasing personal efficiency, in creating the "atmosphere" in which loyalty and good service will flourish.

A USEFUL BOOK.

"The A.B.C. of The Dictaphone" is a most interesting book which every business man should read. Many business men have assured us that the information concerning the handling of correspondence and every kind of dictated matter and of controlling the whole work of the office contained in this book has proved invaluable to them.

A free copy will be sent for your kind acceptance on receipt of application addressed to The Secretary, The Dictaphone Co., Ltd., Kingsway House, Kingsway, W.C.2.

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Edited by FRANK TOZELAND.

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Editorial Notes.

The Late Mr. J. J. Bisgood.

WE note with very deep regret the death of Mr. J. J. Bisgood, B.A., J.P., which occurred last month in a London nursing home following an operation. Mr. Bisgood, who was aged 67, was formerly a regular contributor to this magazine, and many old readers will remember the series of articles he used to write for us under the title of "The Insurance World." He was a man of very wide interests, a fine citizen, and one of the best known authorities on life assurance in London. He was editor and proprietor of "The Insurance Record," a director of Vauxhall Motors and other companies, and a leader in the "Safety First" movement. At the time of his death he was serving for the second time as Mayor of Richmond.

* * *

Our Industrial Efficiency.

THE voluminous Third report issued by the Committee on Industry and Trade last month indicates the thoroughness with which Sir Arthur Balfour and his colleagues have done their work, but it must be confessed the report is unlikely to receive that very serious attention from the public which it deserves. Comparatively few business men have the time or the inclination to study closely the

550 pages occupied by *Factors in Industrial and Commercial Efficiency*, as the report is styled, and moreover, though it is the third to be issued, it still does not complete the full record of the Committee's labours. The *Times* rather unkindly remarks of the report that "It is difficult to decide which of the seven chapters most deserves attention, and perhaps it would not be far wrong to award the palm to the index."

Features of the Report.

THE two previous reports dealt respectively with the factors affecting overseas markets, and with the relationship between the different classes of producers. In the present report four chief factors in industry are considered: first, those affecting industrial structure; second, those concerning the quality of production; third, the development in the past few years in the relation of the State and public authorities to industry; and finally, profits, savings and costs. Much of the report traverses familiar ground, particularly that dealing with the growth in the size of the business unit, and the tendency to amalgamation. Valuable suggestions are, however, made on the subject of technical training for industry, and on the need for not only expanding the scope of technical classes, but of adjusting their relations with industry. The pertinent comments on standardisation contained in the third chapter of the report should be carefully noted. Attention is called to the great importance of scientific research, in which we compare very unfavourably on the whole with both the United States and Germany. In the States £15,000,000 are spent every year on industrial research, while in Germany the manufacturers in the chemical and dyeing industries devote enormous sums to the work and employ hundreds of analytical chemists in their private laboratories. The report ends on a note of optimism, and the Committee come to the conclusion that there lies latent in British industry a great reserve power, though it needs goodwill and the highest qualities of imaginative leadership to evoke and mobilise it. Business men will await impatiently the final report of the Committee in which definite recommendations, based upon the data that has been so laboriously collected will be made.

* * *

The Typewriter of the Future.

THE Business Efficiency Exhibition in London last month, held for the sixth successive year at the Central Hall, Westminster, under the auspices of the Office Appliance Trades Association, was opened by the President of the Board of Trade (Sir Philip Cunliffe-Lister) and the opening was well attended. At the subsequent luncheon both Mr. E. B. P. Jackson (Chairman of the Association) and Sir Philip argued effectively against the idea that the use of mechanical aids to business made for unemployment. He pointed out that in the hundred or more firms belonging to the Association millions of capital were being employed, and tens of thousands of workers would never have known such good employment but for these wonderful inventions. He foretold that one day it would be possible to talk into a machine that would do the typewriting as one was talking, which was no more a dream than the everyday wireless was a few years ago.

* * *

Features of the Exhibition.

TO revert to the Exhibition, there were no outstanding novelties this year, though there was plenty of evidence of steady progress and development. Several electrical typewriters were exhibited, and the successful combination of a standard typewriter with an electrical automatic book-keeping machine attracted some attention. Adding machines, coin counters and sorting machines, postal frankers and stampers, addressing machines, typewriters, filing system, office furniture, and the various other labour saving appliances more or less familiar to every business man made up a comprehensive display.

* * *

Press or Exhibition Publicity.

ON the occasion of a later visit the attendance was very poor, and there seemed a rather noticeable lack of public interest. It is probably doubtful whether an annual exhibition of this type can continue for many years to serve the purpose for which it was originally promoted, and many exhibitors, when considering the cost of representation and the effective results, so far as they can be measured, must be left in a somewhat dubious frame of mind. For ourselves, we should imagine that the Exhibition compares most unfavourably as a method of publicity with press advertising. The original intention of the promoters was to make the exhibition an effective substitute for press publicity which had become, and still is, undoubtedly, very costly. But it may be questioned whether the exhibition is an entirely successful substitute, or ever will be. Such publicity as it permits is too parochial for one thing, and the attempt to overcome this by extending the exhibition to provincial centres merely serves to emphasise the limited nature of its appeal. Press publicity is costly, we all

know, but our leading men of business, as well as the professional advertising specialists, agree that it is on the whole cheaper by far than any other form of publicity.

* * *

Are They Worth While?

MOST of those represented at the Exhibition handle relatively expensive specialities, in which selling costs will always be fairly high in proportion to the turnover. Now exhibitions are a useful, auxiliary form of publicity for these products, but it would be, we suggest, a grave error of judgment to concentrate upon this auxiliary advertising practically to the exclusion of press publicity which is infinitely more necessary in the building-up of a nation-wide market. When it becomes more and more difficult for such exhibitions to preserve the essential attraction of novelty, then the time has arrived to consider very carefully whether they are worth all the trouble and expense they entail.

* * *

Industrial Arbitration Gaining Ground.

IT is interesting to note that the concensus of opinion at the League of Nations Union conference last month on methods of conciliation and arbitration was that the idea of industrial arbitration was gaining ground, though several eminent speakers expressed the view that anything in the nature of compulsory arbitration would be unpopular. Sir William Mackenzie, K.C., who presided, said industrial arbitration was becoming more acceptable, though we had suffered in the past from the fact that we had been unfortunate in the choice of arbitrators. Mr. W. L. Hichens, chairman of Cammell Laird and Co., was convinced that as applied to industry compulsory arbitration would prove unworkable. He was even opposed to the expedient of providing by law that before a strike or lock-out could take place the point at issue should be inquired into by some constituted public authority or arbitration court. Mr. Hichens, however, suggested an industrial truce for five years, both sides agreeing during that time to submit any dispute to arbitration. Professor Henry Clay, the economist, expressed also the view that there was no place in the country for compulsory arbitration.

* * *

The Labour View.

MR. ARTHUR PUGH (general secretary of the Iron and Steel Trades Confederation), thought the trend of progress must be in the further development of joint machinery between the workers and employers' organisations; whereas Mr. Clynes urged that the need was not for more facilities for conciliation, but for adequate machinery to cover the recurring cases where conciliation breaks down and the two parties decide to fight. If it could be proved to the worker that facts as to dividends and profits would not be concealed, that the tribunal would act judicially, and that human considerations would determine their decisions, he was satisfied that the workers would tend to see in voluntary arbitration the terms of a better bargain than they now saw in the use of the strike weapon.

Unfortunately the weakness of voluntary arbitration is the fact that it affords no guarantee of the avoidance of strikes. While it may be perfectly acceptable in theory to both sides, it is very apt to be rejected by one or other of the parties in the heat and temper engendered by a dispute when the moment arrives for it to be put into practice. But voluntary arbitration is at any rate a step in the right direction. Some form of arbitration will have to be substituted for the present appeal to force, in which as in international warfare, victory so often proves even more costly than defeat.

* * *

Labour Policy in America.

FACTS of considerable interest to British employers are contained in an important report on American industrial conditions which has been prepared by Mr. H. B. Butler, deputy director of the International Labour Office. The report is to be published shortly, and we are indebted to the *Times* for an advanced summary of the principal contents. Mr. Butler points out that the three principal labour organisations in the United States, the American Federation of Labour, the Amalgamated Clothing Workers, and the Railway Brotherhoods have made it their declared policy to encourage production, provided that standard wages and conditions are guaranteed and that the worker receives his share of the benefit.

* * *

" Personnel Management."

AMERICAN employers pay great attention to " personnel management." The Labour Manager of a big Corporation is one of its important officials. His business is constantly to be considering the effect on the firm's relations with its employees of every development which takes place in the establishment. The nearest approach to such an official in this country is probably the chief welfare officer of a big concern, but both his functions of authority are considerably more circumscribed than those of the American Labour Manager.

Labour Turnover at the Peak.

ONE result of the present wave of prosperity in America is an acute shortage of Labour, and in the early stages of the boom the competition for workers among employers was so fierce that labour turnover increased to an enormous extent. There were cases reported by Mr. Butler of as high as 200 and even 300 per cent. per anum. According to the National Association of Manufacturers there has been a decrease of the turnover rate in manufacturing plants employing 300,000 wage earners from an annual average of 161 per cent. in March, 1920, to 41 per cent. in August, 1926. But even this greatly reduced rate would cause consternation in most British manufacturing plants. Mr. Butler notes that almost every employer he met emphasised his belief in high wages as an incentive to production and as creating a purchasing power among the workers themselves which maintained prosperity.

* * *

The Claim to Management.

THE quarterly report of the General Federation of Trade Unions issued last month, whose secretary is Mr. W. A. Appleton, contains the following notable comment on the aspirations of Labour to a share in the management of industry :

> "The demand for a worker's share in the management of industry continues to be preferred; often more emphatically by those who are outside the sphere of manual labour than by those who are inside. The demand is a perfectly justifiable expression of human ambition. The limited liability company, while widening the possibilities of ownership, and creating opportunities for big and speculative business, has trespassed upon the opportunities of the small manufacturer or trader. Good men who formerly started with small personal capital and tremendous personal effort find that the way has been barricaded against them.
>
> It is just as well, however, to go into these matters with open eyes and a knowledge of all the consequences. Sharing management means sharing responsibility for losses should these occur; for maintenance and expansion of the business and what is equally serious, the discipline of fellow workers, and of that residuum which makes no pretence of steady work. By all means go for shares in management, but let all the consequences and the obligations be understood."

This is well-balanced and constructive criticism from one whose loyalty to the Trade Union cause cannot be questioned. Incidentally, the report calls attention to the fact that the "flagrant foolishness of the general strike" has already cost the workers about £200,000,000 in wages, depleted their benevolent funds, and added from 6d. to 1/- per cwt. to the cost of all the coal they burn.

Trade Union Investment in Industry.

IN our view the claim of Labour to a share in the management of industry is an entirely legitimate one, and it is somewhat ironical to think that if only one half of this enormous sum were represented by Trade Union investments in industry the workers would be almost in a position to demand what they now appeal for in so many cases in vain. It is hopeless to expect any such reversal of trade union policy as would be implied by large-scale investment in industry while labour leaders are wedded to the chimera of a Socialist state. But Socialism is visibly losing ground as a political theory, and when trade unionists in the mass come to realise that the principle of Capitalism is not inherently opposed to their interests, but can be applied just as readily to their advantage as to that of their employers, radical changes in the present ownership of industry may be expected. In America this is widely understood, and the changes we refer to are already in progress. The day may not be so far distant as it appears when our not less intelligent operatives will realise it too. Trade Union investment in industry will then become a policy, and its results will speak for themselves.

* * *

The Advertising Exhibition.

AN Advertising Exhibition on a scale hitherto unattempted in this country will be the outstanding feature of public interest at the annual convention of the Advertising Association to be held at Olympia from the 18th to the 23rd July next. The object of the Exhibition is to promote public confidence in advertising, to present a comprehensive picture of its potentialities as the greatest force in marketing, and to demonstrate the efficiency of the service now rendered by members of the Advertising and allied professions to industry. Among other special features will be extensive exhibits of Empire products staged by the Empire Marketing Board, and of the methods employed in advertising them; a display by the National Vigilance Committee showing how the public is being protected by the elimination of deceptive and fraudulent advertising; window display competitions by British and continental experts; exhibitions of the latest advertising novelties; and of the remarkable developments in film and mechanical advertising. A very large attendance of delegates and business men from all parts of the Empire, and from the Continent and America, is assured. The Exhibition will naturally have the full co-operation and support of the Press, and there is no doubt that none of

the resources of the advertising profession will be lacking to ensure its complete success. Mr. F. R. Lewis, Bush House, Aldwych, W.C 2, is the Exhibition Manager.

* * *

The Prince's Slogan.

THE Prince of Wales has a gift for the vivid and arresting phrase. He can coin a slogan with the best of the advertising specialists. Few will forget the impression he caused last month, at the Mansion House dinner in connection with the British Industries Fair when he again caught the ear of the nation with a striking apothegm. Speaking of the determined efforts which were required to make good the ground that has been lost in British trade, the Prince declared : " We Britishers think we are very efficient. We are, but to keep in the van we must adopt, adapt, and improve." What a slogan for a policy ! We defy the reader to invent a better, as a summary for the progressive spirit which is now renascent among our business men.

" The Right Inspiration."

AND then the Prince went on to quote an instance which might have come straight from the pages of the " Business Organisation." " In the case of one article intended for use abroad," he said, " the instructions on the wrapper were written only in English, which the purchaser could not translate. The German article of the same kind had the directions printed in Spanish as well." That is practically indentical with the instances given in our International Service columns in January as examples of what we must try to avoid in the future. The Prince is on the right lines and our readers will forgive us for suggesting that he has the right inspiration.

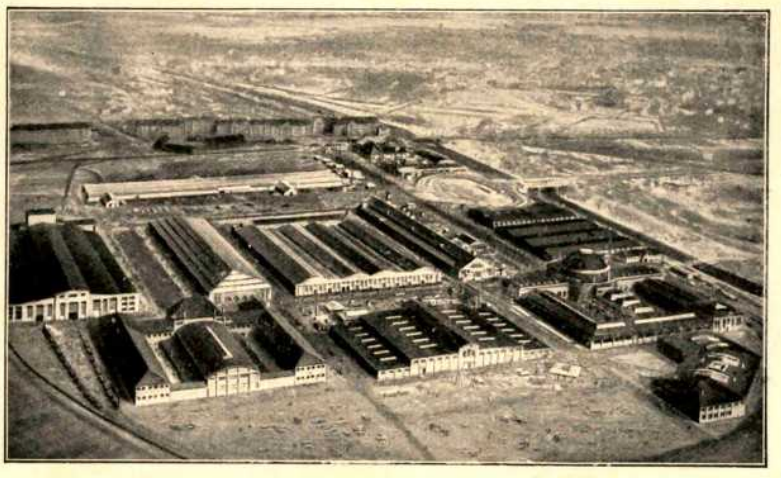
* * *

Means for Effective Action.

THE attention of our readers who are interested in giving effect to the admonition of the Prince is directed to the B.O. International Service this month. They will find not only marked emphasis upon the Language question, but a definite offer of assistance.

It is never the policy of " Business Organisation and Management " to pick holes in British methods and leave the matter there. Rather do we endeavour to mark the fault in order to provide simultaneously the remedy.

The Translation Service offered is second to none, because it is not merely translation of language, but translation of the appeal, which involves an intimate knowledge of local conditions prevailing in the country where the appeal is lodged ; the local mental attitude towards the goods of the country of their origin, and very frequently colloquialisms too. Indeed it might be said that mere technical translation of the appeal which is current in the country of origin will rarely succeed to the extent the goods deserve. Only by such knowledge as detailed in those pages can the exporter hope to succeed 100 per cent.



A Bird's-eye View of Leipzig Fair.
(Article on p. 400.)

Rhythmic Typing.

LAST month our Dutch representative, Mr. Gilbert de Zilwa, contributed a short description of Rhythmic Typing as practised at the Schoever Institute, The Hague, Holland. He suggested that the method of teaching was causing quite a revolution in Business Training Schools in that country.

Since then we have had an opportunity of seeing an exhibition of typewriting on similar lines at the Brixton Branch of the well-known Clark's College.

It is difficult to find the word which will adequately describe the degree of efficiency shown. Typing was done at a high speed to the music of a gramophone, the rhythm being as perfect as that of the music of a Guards' Band.

For a change, the rhythm of a popular air was played on the typewriters without the gramophone. Pennies were balanced on the backs of the hands in the most uncanny fashion, and, with it all, there was a perfection of work that could not be improved upon.

A Speed Test, based upon " new copy " was interesting, not merely from the point of view of the result, but close observation during the competition made it evident that, without the gramophone, the effect of rhythmic touch was still present. This is no mean achievement from many points of view. In addition to the higher aggregate speed attained by means of the method, and the more uniform impression throughout the letter, there is undoubtedly a great gain in the life of the typewriter. Rhythmic movement must inevitably even out the wear which, under other circumstances is chiefly evident in a limited number of the component parts of the machine. A typewriter never wears out as a whole. Experience teaches that it wears out most quickly in certain well-defined directions, and it would be interesting, were it possible, to have data from a firm which uses, say, twenty typewriters, and who have adopted rhythmic typing throughout, concerning their repair costs over a period as compared with a similar period prior to the adoption of the method.

It is perfectly certain that there would be a well-defined difference.

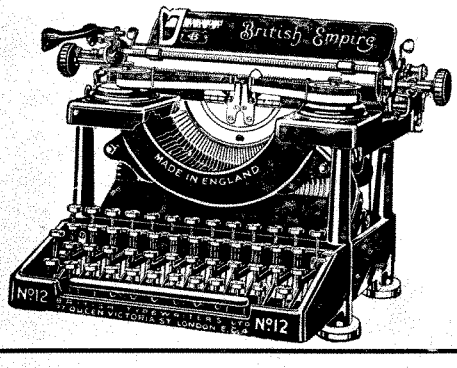
Reverting to the Speed Test, the First Prize of a gold fountain pen was given by Mr. Catford, on behalf of British Typewriters Limited, who market the British Empire Typewriter. In this connection a very interesting fact emerged. At high speed, the carriages of the machines were returned at the end of a line with astonishing regularity, and even more astonishing vigour. This latter point caused one to reflect upon the amazing quality of this specimen of British typewriter enterprise. No machine which had the least suspicion of " jerry-built " about it could possibly have withstood the effect under such trying conditions, and this more than confirms all the claims which the makers put forward in respect of the machine.

For ourselves, we are delighted to endorse all that is said of it from our own experience of a specimen in use at our offices.

The claim is made by the manufacturers that " The machine is equal in every respect to the best American machines, light and speedy in touch, doing its work without giving trouble. It has many special advantages, including four more characters, an ingenious patent device for quickly inserting the paper, and is not noisy in operation."

" Business Organisation and Management " stand for British enterprise, first, last, and all the time, and we are more than glad to see at last a British-made typewriter which will more than hold its own against any of its foreign competitors.

"BRITISH TO THE LAST SCREW!"



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The BRITISH EMPIRE *Typewriter*

Weight of Taxation.

Hindrance to Trade Expansion—A Bold Suggestion from the Chancellor of the Exchequer—Bankers' Speeches—Some Points on Oil Shares.

By OUR FINANCIAL EDITOR.

THE present quarter of the year always proves to be the most interesting in financial affairs In the year 1927 it is the most important quarter we have known since the war, that is to say it has a great deal more importance than is usual. The reason for its cutomary importance is that from January to March the Budget year is in its last stages, thus national revenue and expenditure are watched with more interest because of their bearing on the next year; and all the great bank meetings, and many insurance, public utility and other annual meetings occur in these three months. The reason for the special significance of the first three months of this year is that our national tale of revenue and expenditure has shown so far an unusual gap between income and outgo, and on the wrong side, while the great bankers' speeches have shown a realisation that all is not well in our social and industrial life although the rewards of banking have been quite satisfactory.

THE NATIONAL ACCOUNTS.

I do not intend to consider at all closely the position of the national accounts. As March advances the final collection of taxation will be made and by the end of the country's financial year things may look better than they do at present. One thing is sure. No one in his senses will look for any reduction in taxation in the next Budget year; there may be adjustments in this item or that but in 1927-28 we shall probably have to pay just as much in taxation as we have in the year now closing. I think this is a tragedy to industry and trade. Taxation is one of the clogs on the business machine at present. It is too high. In this country it is higher than anywhere else. No logic-chopping by economists, who often minimise the effects of taxation, will ever do away with the fact that when its gets over a certain line taxation kills business enterprise and trade. I believe it has been well over that line in this country ever since the war.

A STAGGERING BURDEN.

But to get taxation down in the near future will be a work of Hercules for the Chancellor of the Exchequer. Any business man who knows how to reckon can see that. An income of about £800,000,000 per year is necessary to the State to pay all its outgoings such as £350,000,000 in interest and sinking fund on the national debt, the upkeep of army and navy and air force, education, civil service and so forth. That £800,000,000 represents about 20 to 25 per cent. of the entire income of the nation. In other words when we have paid out income tax, wine and beer tax, motor taxes, tea, tobacco, sugar and coffee taxes, our silk stockings tax, etc., every £1 of our income has been cut down automatically owing to payments to the State to 15/- or 16/-. This applies to individuals and companies. The position of the super-taxed man is even worse for in the case of the man of huge income each of his pounds may wilt to half through the nation's demands. I am not going to cry about the woes of the super-taxed. I believe the super-tax, which is essentially a tax on individuals and does not touch companies as such, to be a just tax. But its range, too, is limited. Some super-tax payers exist without service to the community; tax or even over tax these and nothing is lost. But a great many men who pay super-tax are engaged in really productive work, bringing into existence and into use things which are essential to the well-being of our people and to the international trade of our country.

HIGH TAXATION AND PRODUCTIVE WEALTH.

Now, what is the harm done when these active spirits are over taxed for a period of years? An answer can be given which covers both income tax and super-tax. The State in over-taxing takes from enterprise the resources which should go into productive wealth. In the United States in the past five years very low taxation has taken only a fraction of the earnings of industry and trade. The result has been that American industry and trade has had accumulated means out of which to rebuild its premises and substitute new economic plant for out-of-date wasteful plant. But our high taxation has, particularly in the old export industries, swallowed up the reserve earnings which would have enabled us to scrap much machinery which is effete and has prevented accumulation of surplus profits for future development.

THE POUND OF FLESH.

And the pity is the Chancellor of the Exchequer seems to be in no mood to give relief. He must have his £800,000,000 per annum.

How can he best get it? If Mr. Churchill were not a very courageous man, the suggestion I am going to make would be worse than futile. I believe the present time to be of crucial consequence to our future. It is therefore a time for unusual measures. And I very definitely think that the boldest course we can take now would in the end prove to be the wisest. In other words, the Chancellor should, in spite of the estimates, reduce taxation and trust to the greater trade the reduction will stimulate to give him the revenue he needs. What a Chancellor of the Exchequer should aim at is not a high yield from a limited number and amount of incomes, but a moderate yield on a very large number and amount of incomes. If taxation pressure were lifted at the next Budget Day a great urge would flow through the industries of the country. Many hundreds of thousands of families would buy things they have needed for months; thus money would flow into trade; traders and industrialists would use what was saved on taxation in pushing their business and in fresh equipment. The country would get going; and Mr. Churchill would reap his reward by getting a yield on income made possible by this strong tonic infused throughout the nation.

COURAGE AND REWARDS.

Let me give an illustration. Some years ago the very anxious directors of a great combine met round a table and read with dismay of a slump in their products. Profits were disappearing. At first they concentrated on how to revive sales of their goods at their existing prices. No recovery came. Then one man boldly suggested cutting prices and relying on running every machine to its utmost capacity to give them prosperity. The suggestion was accepted and in the next twelve months that firm made record profits. Could not the nation do something similar?

THE "SPEECHES."

So much for taxation; let us now look at the bank speeches. I find very little appreciation among ordinary business people of the remarkable quality of the speeches made by the chairmen of the Big Five banks this year. They were without doubt the best banking speeches made since the war. One feature running through all of them was the bankers' recognition that a much more acute criticism of banking practice is evident to-day than ever before. All the chairmen, or at any rate, four out of the five, replied to critics. I am not intending to treat in detail the separate heads of these speeches. Let us take only one or two points in them. Two chairmen —Mr. F. C. Goodenough (Barclay's), Mr. R. McKenna (Midland)— had something special to say on general monetary policy. They revealed very different views. Mr. Goodenough seems to think our past monetary policy has been such a success that we cannot do better than continue it. He plumped for a fixed limit to the fiduciary circulation and continued control of the monetary situation by the Bank of England on its existing methods. Not so Mr. McKenna. Mr. McKenna's speech, in my view, was the greatest speech made by a banker for the past ten years. In outline his main theme was a contrast of the trade depression in Britain with the abounding prosperity in the same period in the United States; and he inquired why the two countries had fared so differently. Mr. McKenna showed a full sense of the relatively favourable position of America in regard to natural resources. But he showed that America and ourselves had followed opposite lines of action in the monetary sphere. As a banker of eminence he is able to weigh what this involves and he showed clearly that America by making increased production and business with an increase in currency and credit its aim, had achieved a great prosperity, whereas in this country the deflatory policy of the Bank of England had helped to produce the longest depression our trade has ever suffered.

MR. McKENNA'S SUGGESTION.

Why do not industrialists and traders read and use every word of this great diagnosis of our ills? Mr. McKenna was not dogmatic. All he said is that we appear to have been following wrong lines of monetary policy in recent years. But he made one vitally important suggestion, namely, that there should be an inquiry, conducted by the proper type of men, into the theory and practical technique of central banking. I wish every business man would support and agitate for that inquiry. It would prove a godsend to the country if only economists, bankers, industrialists and merchants could make a collective study of the whole question of monetary policy and its control.

MAKING "DRY BONES LIVE."

Mr. Beaumont Pease (Lloyd's Bank) made a very remarkable and interesting innovation. How many of my readers have tried to understand a bank balance sheet? Could anything on earth tell less of the things which really matter? Each bank shows the total of this and that kind of item, deposits, advances, bills, cash in hand and at call, etc., etc., and all one can get from the figures is a head dizzy with millions. Now Mr. Beaumont Pease took the item "Advances" from Lloyd's Bank and made some of the dry bones live. For he let the public know which classes of the community the bank found to be its greatest borrowers and gave average figures of

overdrafts. The result was most reassuring. Although recent years have been so bad, the figures of this bank showed that the average bank advance was only £1,204, including such large borrowers as local authorities, the coal industry, iron and stcel, etc. In this bank's case the average overdraft on personal and professional accounts is £545, on retail traders £610, and on agriculturalists £881.

The point advanced by Mr. Pease that the figures showed that the banks catered for the " small man " was well made out. It is, indeed, significant of modern times that the little capitalist is the most important personage for the banks, the Stock Exchange and for great businesses of all kinds to cultivate.

On the Stock Exchange during the past month there has been one of those unexplained, sudden outbursts of activity in oil shares, which periodically spring out of nowhere. Such happenings should be watched by investors with vigilance. There is nothing easier than losing money in such a boomlet. Within a period of sixteen days shares in the oil market rose by from 10 to 20 per cent. and came back to the old price. Therefore, someone who had paid the top price found his shares worth 2/- to 4/- in the £ less after this brief period.

A LITTLE ARITHMETIC.

I was myself quite astonished that people would buy shares with so little discrimination. Investors are easily led astray with hopes of bonus shares and big dividends. In this boomlet some of them bought oil shares at a price which discounted sixteen years dividends. For instance, a share which had received 50 per cent. was bought at £9 for the £1 share. Obviously if the share continues to pay 50 per cent. the dividend of the next 16 years will only suffice to pay back the £8 over nominal value paid for the share. The actual yield on the investor's money in this case is only a shade over what he could get on gilt-edged securities. In such a tricky affair as oil production this sort of return is preposterous. Even a chance of bonus shares is not enough to redeem it, for the dividend can only remain at 50 per cent. while the share capital is low.

This month I recommend Criterion Restaurants Shares at 7/6 to 8/-. These are good for immediate prospects and also for the long run. Lipton's 5 per cent. Preference Shares at up to 15/- should be laid by. I think they will go to 20/- in the next twelve months. The best markets for speculative rises are tin and rubber. Next month I will give a full review of Stock Exchange possibilities. It is useless to do this until the end of the Budget year has been reached.

Counterfeit Coins that Ring True.

By A BANK CHIEF CASHIER.

NOT for a very long time have the banks of this country seen so many counterfeit coins as are now appearing daily in the cash paid in by customers. There are far more about than perhaps the average man thinks.

One reads frequently in the papers that a person has been arrested and convicted for making spurious coins, yet there must be many organised gangs at work " uttering " them, judging from the number detected by bank cashiers.

There is no more flagrant profiteer than the coiner who " charges " top price for an article that is not only valueless but a positive danger to anyone receiving it, who, in all innocence, tries to pass it on.

The fact that many of our modern nickel coins discolour rather readily gives the coiner greater scope. He knows that most shopkeepers are so busy that they generally pass a " dud " without a second glance, and even should they be suspicious he relies upon their inability to determine whether it be a counterfeit or a good one that has become tarnished. It is sure to be discovered at a bank, however, where it is either broken or so badly as to be rendered quite useless.

I have often been asked how we cashiers manage to detect them so infallibly.

METHOD OF DETECTON.

It is quite possible that a cashier develops a kind of instinct for detecting the spurious, whether in coins or notes, *due to long familiarity with the genuine article*. Yet, at the same time there is a distinctive colour or sheen about a bad coin that, to an observant eye, makes it stand out, as it were, from the coins around it. Even by touch one may distinguish a counterfeit from a good one; there is a " silkier " feel about it.

Whenever a banker has his suspicions aroused he will closely scrutinse the details of the coin. The fine dots running round the circumference, just inside the milled edge, never come out distinctly in a coin that has been cast from a mould. He looks narrowly at the strings of the harp on the reverse of florins and half-crowns (which coins seem to be the favourites of the coiner) because these details never appear cleanly-cut in a " dud."

Continued on p. 343.

Getting the Utmost out of Form Letters

By MAX RITTENBERG

Article II.—THE PHYSICAL POINTS ABOUT THE PERFECT FORM LETTER

IN the article last month, we were discussing a schedule of practical business uses of the form letter—for manufacturer, wholesaler, retailer and mail-order house—and what results could be expected from sales letters sent out to customers, to cold prospects, and in response to an enquiry. That clears the ground for dealing with the various physical points which enter into the form letter—all of these points adding their bit, large or small, towards the maximum of results.

LETTERHEADING—PLAIN OR PICTORIAL?

A plain, neat, dignified letterheading carries well with people who know you.

If the type or engraved lettering be kept small, it is a definite advantage, because it allows plenty of space for the letter itself.

But, when addressing to large numbers of people who know nothing about your firm, it may be a very great advantage to pictorialise.

The above is well evidenced by the admittedly aggressive and up-to-date firm of Selfridge. They use a large variety of letterheads for different purposes. Letters sent out from their Counting House to credit customers are severely plain, neat and dignified. There is no need to show pictures to a credit customer when collecting an account. But with big circularisings to members of the public, many of whom may not be sufficiently familiar with the extent and resources of the firm, even in spite of colossal expenditure on press advertising, Selfridge's are accustomed to use pictorial letterheadings illustrating the building; and they have gone to the extent of having a whole set of pictures of their various buildings printed at the back of a letterhead, in addition to an allegorical illustration of two pyramids shown at the top of the letter itself.

Shoolbred's, another firm of enterprise as well as of old-established reputation, use a variety of letterheads for different purposes. Some of these are " departmental " letterheads, showing pictures of their wine department, fur department, etc.

Firms of the highest class are using pictorial letterheads in full colours, making a brilliant display at the head of the letter.

Therefore it is obvious that when addressing to prospects, wide-awake firms are to-day attaching great importance to the letterhead and what it will convey at *first glance* to the man (or woman) who opens the envelope containing the form letter.

When he becomes a customer, and knows about the firm from first-hand experience of its goods and its services, other letterheadings are used which bring out stability and realibility by quiet effect of types and engraving.

THE CASE OF A MANUFACTURER'S AGENT.

Let us apply this question of the letterhead to a manufacturer's agent. He is in a small way of business; his work is to market the products of three or four big manufacturers within a certain district. Now, he is addressing people who know nothing about him, with an offer of a new line to replace something they are already using and are well accustomed to, and it is going to be a difficult job to convince them that a change-over will be desirable. One of the big points in their mind will be as to who exactly is the firm this agent is representing, what are its manufacturing facilities, and what degree of reliability in the execution of contracts will stand behind the agent's offer of goods?

They will be much more interested in the factory than in the agent who is representing the manufacturer.

Therefore, it is not logical that the agent should use several letterheads applying to the different manufacturers he represents, and head each one of these with a picture of the factory so as to impress at first glance on the prospect the resources of manufacture which are behind him.

ALTERNATIVE METHODS OF DUPLICATING.

There are a number of alternative methods of duplicating form letters. My personal preference is for those reproduced by the multigraph machine and printed through actual typewriter ribbons. This gives, in my opinion, an exceedingly close resemblance to an actual typewritten letter.

There is also, in a class by itself, the electric machine which actually types a letter from end to end, individually, one after another at terrific speed. But the speed of production must obviously be far less than the multigraph process, where the turn of a handle shoots out

a complete letter; and the electric typewriting machine is therefore considerably more expensive to operate. It produces a really perfect letter; it is capable of adding in entirely personal touches here and there; and I don't doubt that in the future it will be more and more used in this country, following on its extensive use in the United States; but at the present moment, the multigraphing process leads the field, in my personal opinion, on the combined ground of *speed and economy*.

It is much preferable to the process of printing with imitation typewriter type by ordinary letterpress printing. This latter never gives the soft effect of duplicating which is done through a typewriter ribbon.

IS MATCH-IN OF NAME AND ADDRESS ESSENTIAL.

If your form letter is intended to look like an actual letter, and to convey the impression of a letter, even though it be sent out in quantity, and the wording is alike, then by all means a match-in of name and address is called for.

It is called for by *custom*, because an individually typed letter would always be started with the name and address of the man who is to receive it. It is called for by *courtesy*, because anyone receiving a letter naturally expects to find his name and address, and would consider it a poor form of economy to have his name omitted. It is called for by actual results, because, in the experience of advertising experts, the letter which is matched-in produces a better return than the one where this is omitted.

I maintain that this is essential in writing to customers, and in the answering of an enquiry. It is also advisable in the great majority of form letters sent to cold prospects. On the other hand, it is not advisable and it is not necessary when the form letter is of an obviously impersonal character such as a market report, a notification of price changes, or such other formal matter as a business house is accustomed to sending out at regular intervals to its trade.

Grouping this class of communication together, one can say that it does not matter a scrap in productiveness whether the letter be multigraphed or printed. One can use whichever is cheaper, or the speedier, or the more convenient. And since it does not matter in effect whether the letter be printed in type or duplicated through a ribbon then equally it does matter whether it be matched-in with name and address or not. *It is not really a letter; it is a general notification sent by post. It is as impersonal as a newspaper advertisement.*

METHODS OF SIGNING.

The usual custom is to sign with the name of the firm duplicated as part of the letter, and a fascimile signature of some officer of the firm, duplicated in a close imitation of an inked and blotted signature.

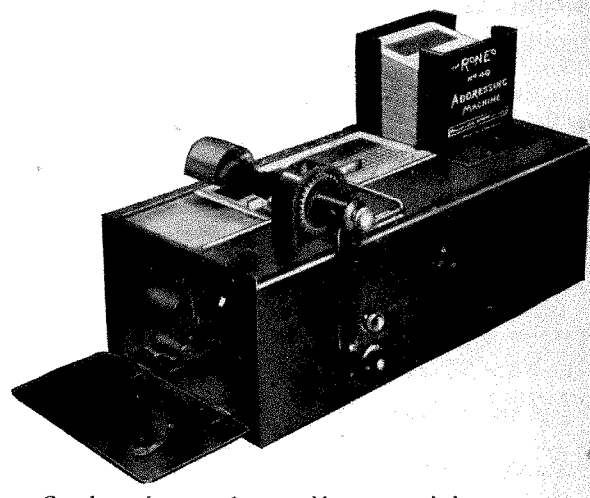
This is the next best thing after an absolutely personal signature, and where the quantities of letter sent out run to (say) 500 or over, personal signing becomes too laborious, too lengthy, too slow.

The other method of signing is to have the name of the firm duplicated as part of the letter, and initials written in in ink underneath it. This little job can obviously be carried out by any subordinate of the firm, or by any worker in an addressing agency. It is more expensive than using a facsimile signature, and my personal feeling is that it is not any more effective in results.

MARGINS AND SPACING.

Here is a point of considerable importance. How one hates to see a long letter squashed into a single page by running it almost from edge to edge with no spaces between paragraphs! It always conveys the instant impression that the advertiser is trying to avoid the cost of a follower page at the expense of his reader's brain-fag and eye-sight!

In order to give an instant impression of easy reading—in order to make it attractive for read-



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BRANCHES IN LEADING PROVINCIAL CITIES.

ing at all—then there should undoubtedly be a margin at each side of at least once inch to right and one inch to left. I would say myself that one and a half inches at each side is the right proportion for a letterhead which is eight inches wide. This means, the length of the typing line is five inches.

I am also strongly in favour of having an extra blank space or two extra blank spaces between each paragraph; between the address and the Dear Sir; and between the Dear Sir and the opening paragraph.

It is very often a very big advantage to get at the reader's attention by a headline after the Dear Sir which will either summarise the contents of the letter, or excite his curiosity to read it.

If it happens that typed in this way, with good margin and ample spacing, the letter will not come within the compass of an eight inch by ten and a quarter inch letterhead, then the two alternatives are to have the letterhead extended to foolscap size, or to run the remainder of the text on to a second blank follower sheet.

As to which looks better is largely a matter of taste and personal preference. From the point of view of expense, the foolscap plan is the cheaper, because it avoids the cost of multigraphing on the second page, the cost of the second page itself, and the extra cost of pinning or clipping the two together.

THE USE OF COLOUR IN DUPLICATING.

It is becoming more frequent for progressive firms to use a touch of colour in the duplicating, by using red for the headlines or for an important special paragraph which they want to " hit out " at the reader.

Black and red make a very good combination of contrast. Other combinations of black and blue, blue and purple, red and purple, are possible, but in my opinion, do not look as well as the plain black and red.

(To be continued.)

Sales Letters bring Business

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6a, TUDOR STREET, LONDON, E.C. 4.
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Spurious Notes in Circulation.

By a BANK CHIEF CASHIER.

DURING the last few weeks Bankers have been very much perturbed by the numbers of forged notes of the denomination of £1 and bearing the index number L 1/42, that they have been constantly discovering amongst the notes paid in by customers. Other forgeries are now turning up with other index numbers, and as they are all such excellent imitations of the genuine article, shop-keepers, booking-clerks and the public generally are doubtless anxious to know how they are to tell a bad note from a good one.

These few lines are therefore given with a view to assist any who have to handle large sums in notes and who, of course, realise that if they receive and present to a bank a forgery, it is practically sure to be confiscated and handed to the police, for that is the procedure if it be detected.

First of all, these notes are not printed on watermarked paper. Some apparently bear a watermark, but a close scrutiny reveals the fact that this is due to very faint but cunningly printed dark lines *upon the surface of the note!* When in doubt, therefore, look for this and remember that a genuine water-mark is semi-transparent; hold the suspected note up to a strong light.

Then again, the paper that these " dud " notes are printed upon is smoother and of less excellent quality than that of those issued by the Treasury; it cracks sooner and the surface quickly assumes a rubbed appearance when the note has passed through a few hands.

Scrutinise the signature of Mr. Fisher. In the forgeries that the writer has carefully examined, this signature seems to have been written with a thicker pen, also, and this is an important point, the signature touches or comes above the lowest portion of the medallion containing the King's head. *In a genuine note the signature is wholly below it.* When running through a bundle keep your eye on the signature portion and you will be quick to detect any variation from normal, indicating a forgery.

Turn the note over and examine the clouds above the houses of Parliament. In a spurious note they are darker and more thundery-looking than in a genuine note.

If undecided about a note put your customer's name on the back of it and you can then refer to him should it prove to be a spurious one.

Above all be alert and critical *in rush hours*, for this is the very time anyone wishing to dispose of a bad note will try to do so.

The "B.O.M." Library Service.

Under this heading we shall, month by month, deal with books having a definite value to our readers; the channels of service which are at their command, and replies to queries. Books may also be ordered and supplied by the service when desired. We hope our readers will make the utmost use of it in every respect; we, in turn sparing no effort to give a definite library service.

Next Month—HOW TO FORM A LIBRARY.

OUR decision to institute this Service has been fully justified by the results, even in the short space of time which has elapsed. Our advice has been sought, and books purchased as the result.

Matters such as these develop less quickly than some others, but for that reason the growth is more sure.

Outside the confines of Great Britain, the Service is being both appreciated and used. The offers of co-operation which are reaching us from those best able to furnish it, are extremely gratifying, and will go far to make this Service realise the ideal which was in our minds when it was started.

Next month a series of articles will commence upon "How to Form a Library."

Most of us have learned from experience the waste that inevitably creeps in when making our collections of books, through the lack of that finishing touch which expert knowledge alone can give. These articles will be designed on the one hand to prevent that, and on the other, to confer upon the user the benefits accruing from a wealth of experience in this direction. The author is frequently called upon by firms of considerable standing to advise upon the formation of Libraries for their Staffs, as well as upon the collection of books for other purposes, and we feel sure that our readers will appreciate the trouble that is being taken in this direction to provide them with expert advice.

Just a word in conclusion. With the best will in the world, this Service can be of no value if it is one-sided.

Enquiries are gladly welcomed, and will receive courteous attention, no trouble being spared in the effort to furnish the required knowledge.

LITERARY.

AUTHORS AND COMPOSERS are invited to forward Novels, Poems, Stories, Tales for Children, Plays, Films, Essays, Lyrics, Music, Songs.—Arthur H. Stockwell, Ltd., 29, Ludgate-hill, E.C.4. No reading fees. Est. 1898.

Statistics in Business.

Their Analysis, Charting and Use.

IN our December Editorial Notes we drew attention to the necessity for a practical mastery of statistical technique and suggested further facilities for training in this subject. In business it is essential to have exact information and to get clear of impressions which are often but a mirage. A committee of eminent business men and economists have delivered their judgment in "The Facts of Industry" on the present available statistical data in this country. They state that it is quite inadequate to enable this country to deal with its difficult problems. The information available is patchy; and no co-ordinated effort has been made to think out what facts are generally required, and to make them readily available for the business community as a whole. Increased attention however is being paid to this matter. Only the other day it was stated at Manchester, in a consideration of the future of the cotton trade, that there was a proposal on foot to establish a statistical bureau. The object was to collect all available information about the cotton trade in every market of the world. The volume and character of foreign competition would be studied, not spasmodically but week by week.

The gem in Dr. Secrist's book is the statement "Every average is a sort of fictitious substitute for the details which it replaces, serviceable when the conditions for which it stands are known, but deceptive when they are ignored."

The author enumerates nearly fifty general facts on which every business man should have, or know how to obtain, the relative information. How many business men could pass the test?

The section dealing with how to get the facts is of primary importance to the American reader for it deals with American sources. To the English reader it should be of interest and value as a means of comparison with our own sources. Need it be said he will have no cause for jubilation? (America is a country with a passion for exact information and an enormous expenditure is incurred in its satisfaction.)

In the presentation of statistical data the compiler should strive for simplicity and the purpose should be self-evident. Figures are a means to an end and should be kept in their place. These facts are stressed by the writer.

The section of the work on graphic representation is instructive and informative. Graphic presentation appeals to an inherent and fundamental human characteristic namely the visual aid to the intellect. The graph will, therefore, always retain its popularity.

BY

Horace Secrist, Professor of Economics and Statistics and Director of the Bureau of Business Research, North Western University School of Commerce, U.S.A. 130 p.p. illustrated. Price 8/9.

McGraw Hill Publishing Co., Ltd., 6, Bouverie Street, E.C. 4.

By an error of omission last month the name of the book by Dr. Channing Haddock, reviewed on p. 268, was not given, for which sincere apology is offered. It is entitled "Business Power" and may be obtained from the well-known House of Foyles, Charing Cross Road, W.C. 2. The price is 10/6, postage 6d. extra.

Books for Better Business

Foyles have Special Departments for Books (second-hand and new) on Commerce, Industry, Mail Order, Accountancy, and Technical Subjects. Nineteen other Departments each issuing its own Catalogue. Send for Commercial Catalogue 616 (free) mentioning requirements and interests.

This Month's Special Offer.

Principles of Scientific Management

By WINSLOW TAYLOR. As the old intimate personal contact of employer and employee is impossible. Mr. Taylor substitutes a science of management based upon the study of the man at his job. Published at 7/6, offered at 4/- post free, on approval. Quote offer 616.

FOYLES 119-125, Charing Cross Road, London, W.C.2.

THE GREAT PAINTERS IN ART AND LIFE

By C. Lewis Hind. John of London's Little Books. George Newnes, Ltd.

THESE are days of concentration and specialisation but the old philosopher's recipe for wisdom still holds good. Moderation in all things is still the secret. Business men should cherish it for the anxieties of competitive life are apt to lead to a certain narrowness of interest. Man has been defined as a social animal and sociability necessitates a broadness of outlook. It was once said that the enemy of art is the enemy of nature; art is nothing but the highest sagacity and exertion of human nature and what nature will he know who honours not the human.

This little book on the great painters is an antidote in the most palatable form. Its ingredients are mixed with human, racy and anecdotal spice. For its enjoyment no technical knowledge is necessary. It presents great records of achievement. Great artists like great business men can rise from small beginnings. Claude of Lorraine began as a pastry cook. Old Crome's father was a travelling weaver and kept a small public house. Old Crome himself began life as a doctor's boy and was then apprenticed to a house painter.

These great artists were men of energy, determination, will and intellectual detachment. The essentials for success in every walk of life.

Continued from p. 339.

THE FUTILITY OF "RINGING."

It is practically useless, nowadays, to try to test a coin by ringing it upon the counter, because base coins generally give quite as good a ring as good ones. In fact many issued by the Mint sound quite dead, owing to a small crack somewhere that has been occasioned during the process stamping.

There are, however, two infallible tests by which anyone may determine whether a coin be genuine or not. The first is by weight. *A base coin is always very much lighter than a similar coin that has been issued by the Mint!* The second is by trying to bend it. A counterfeit coin inserted in a small vice or a copying-press, may be bent by a child! But nobody could bend a good coin!

If only shopkeepers could be persuaded to screw a small vice on to their counters and test every suspected coin by trying to bend it, it would soon pay for itself; and coiners would then find it so difficult to get rid of their goods that they would probably give up the "industry" in disgust.

The Age of Concrete.

By HAROLD J. SHEPSTONE, F.R.G.S.

Ferro-concrete is fast supplanting brick and stone as a building material, and to-day it is used for a variety of purposes, from the designing of concrete posts and railway sleepers to huge office buildings and large bridges. By employing concrete there is a distinct saving in the initial cost of the edifice as well as valuable time, a gain in floor and other space, as well as assured strength and durability.

Blocks by courtesy of "Ferro-Concrete."

ACROSS the Tweed at Berwick the engineers are throwing a magnificent bridge, unique in the fact that it is being built of ferro-concrete, yet substantial enough to carry the heaviest traffic. It is a striking reminder of the many and even daring uses to which this material is now being put. Concrete, in fact, is fast supplanting brick, stone and steel in the erection of all kinds of structures—houses, dwellings, offices, factories, workshops, bridges, water-towers, posts and even railway sleepers.

The main buildings at Wembley were of concrete, or to speak more accurately, ferro-concrete; that is, concrete strengthened and held in place by re-inforcing rods. The Stadium and the two great Palaces of Engineering and Industry were among the largest concrete structures ever designed. The first large office building in London to be constructed of this material was the General Post Office Extension of St. Martin's-le-Grand. With the exception of the front which is faced with Portland stone, it is entirely of ferro-concrete. It was erected by Messrs. Holloway Brothers, who were among the first to recognise the value of the new building material.

GREAT ECONOMY OF SPACE.

It is computed that in this single building no less than 50,000 superficial feet of floor space were gained through the utilisation of ferro-concrete in place of the massive construction that would have been involved by the use of conventional brickwork. Important saving of valuable space was also secured by the adoption of ferro-concrete for the construction of the retaining walls built around the site to withstand the pressure from the immense building adjoining, and to make the two basement storeys perfectly free from the infiltration of moisture from the surrounding water-logged soil. Not least, Sir Henry Tanner, the Architect to H.M. Office of Works, estimated that the saving in initial cost through the use of concrete was not less than £60,000, or about 17 per cent. less than the estimated cost of ordinary construction.

POSSIBILITIES ILLIMITABLE.

The engineer to-day would appear to be able to erect anything required, no matter what are its dimensions or the purpose to which it is to be put, with such simple ingredients as cement, sand, stone and water. Mixed together in certain proportions, they form the "dough," as it were, by which the structure is fashioned, and when it has hardened it is stronger and more durable than the toughest stone or granite.

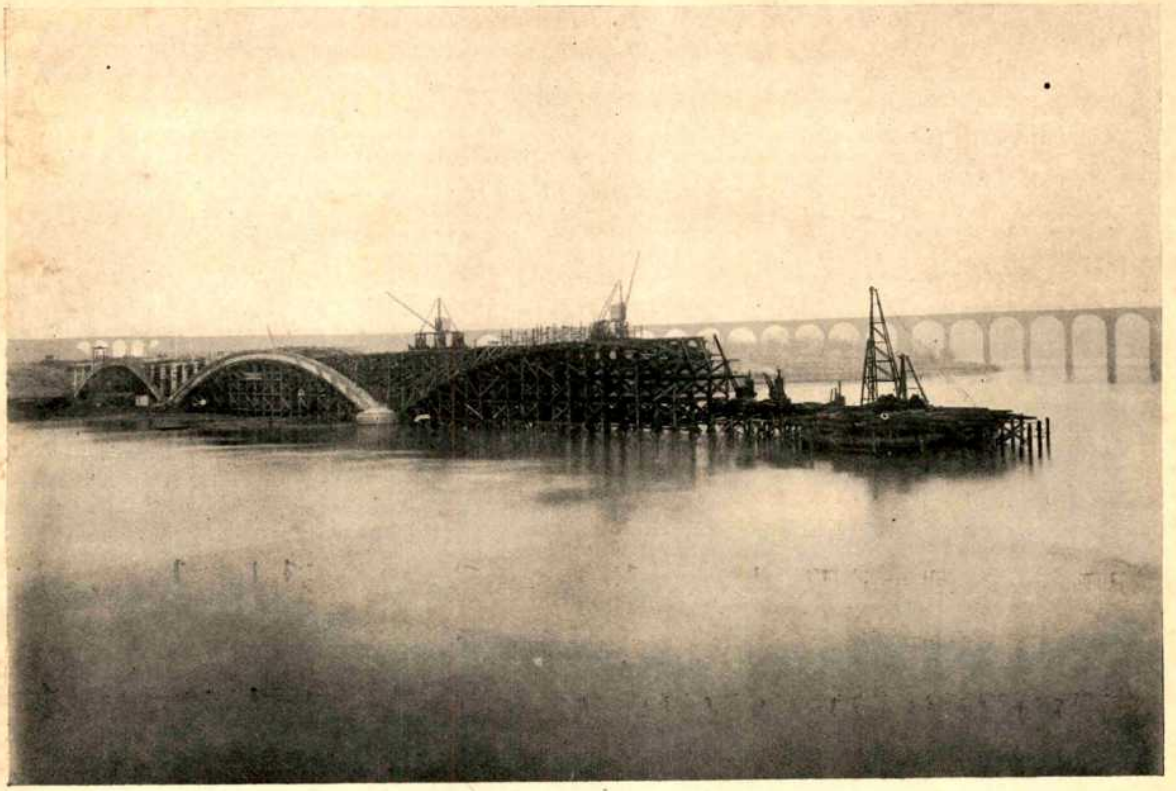
If need be—and this is invariably done in the case of important structures—they are further strengthened by steel rods. A mould, consisting of boards, is first built up to the design of the building, the steel rods are placed in position, and then liquid cement poured in and allowed to set, when the boards are taken away. It has been shown that harbour works built of concrete blocks reinforced with steel rods will withstand the heaviest buffeting of the sea for fifty years or more.

To what extent concrete is being used in this country is evidenced when it is stated that the recently completed cement works at Bevans, Northfleet, turn out 10,000 tons of cement a week, or 500,000 tons a year; while another new factory at Dunstable is capable of an annual production of 110,000 tons of cement.

THE FIRST CONCRETE HOUSE.

Nor need a concrete structure be of a drab colour, for Dr. G. N. White, who is investigating a new process for colouring this material, declares "there seems no reason why concrete should not have a range of colour equal to that of cloth." Hitherto the colouring of cement has been obtained by an admixture of pigments in the form of powder. In the new process, the cement to be coloured is treated with a solution of vegetable dye, which, on exposure to the air, is thrown down as colouring matter on the surface of the cement particles. It is claimed by the inventor that the film of colour is both insoluble and permanent.

Concrete houses, offices and factories need not be an eyesore so far as colour is concerned, which is a distinct gain. Mention of concrete houses recalls an interesting fact. While it is true that Edison was one of the first to call attention to the possibilities of the concrete house, the first of these structures, a mere cottage measuring but 15 feet by 14 feet, was that built by an English builder in Newcastle in 1865. It is still standing, and is as serviceable as when first put up, sixty-two years ago.



NEW BORDER BRIDGE: BERWICK-ON-TWEED.
In course of completion.

A COMPETITOR WITH STEEL.

While one may perhaps understand this invasion of concrete into the field where brick and stone were formerly employed, one hardly expected to find it taking the place of steel. For instance, a few years ago no one imagined that such structures as water-towers, chimney-stacks, bridges and the like would be built of concrete. Yet at Goole there is now nearing completion a ferro-concrete water-tower, 150 feet high, including ten feet of foundation, said to be the largest structure of its kind in the world. The tank, supported on pillars at the top of the tower, will be 90 feet in diameter and 22 feet in height, with a capacity of 750,000 gallons. The total weight of the structure with a full tank of water will be between 7,000 and 8,000 tons.

CONCRETE SLEEPERS AND STRONG ROOMS.

It has been announced that one of our railway groups contemplates the laying of concrete sleepers on a through stretch of main line outside London. The new type of sleeper consists of two concrete blocks joined together by a rod of mild steel. Each block is 24 inches long and seven inches thick, and is provided with plugs arranged to take the screws of the chairs carrying the rails. Garden posts, seats, and telegraph poles are also wrought of this material. Reinforced concrete is being largely employed in the erection of the new strong rooms of the Bank of England. It has been found that when walls are built of reinforced concrete and lined with steel plates they become virtually impenetrable. Your scientific burglar will burn his way through steel, but when it comes to both concrete and steel his task is rendered doubly difficult.

NORTH CIRCULAR ROAD.

A decidedly clever piece of work and a standing monument to the value of reinforced concrete is the new viaduct over the Lea Marshes that forms a portion of the New North Circular Road. It is half a mile long and stretches across the marshes from Edmonton to Walthamstow. Six hundred large columns of reinforced concrete support it, and it carries a forty-foot roadway with a ten-foot paved footway on each side. Three waterways are bridged—the Lea, the Coppermill Stream, and the Metropolitan Water Board's aqueduct. These bridges, also of reinforced concrete, are embodied in the viaduct, and leap the various obstacles with a single span.

The difficulties the engineers had to contend with were great. The Lea Valley floods with

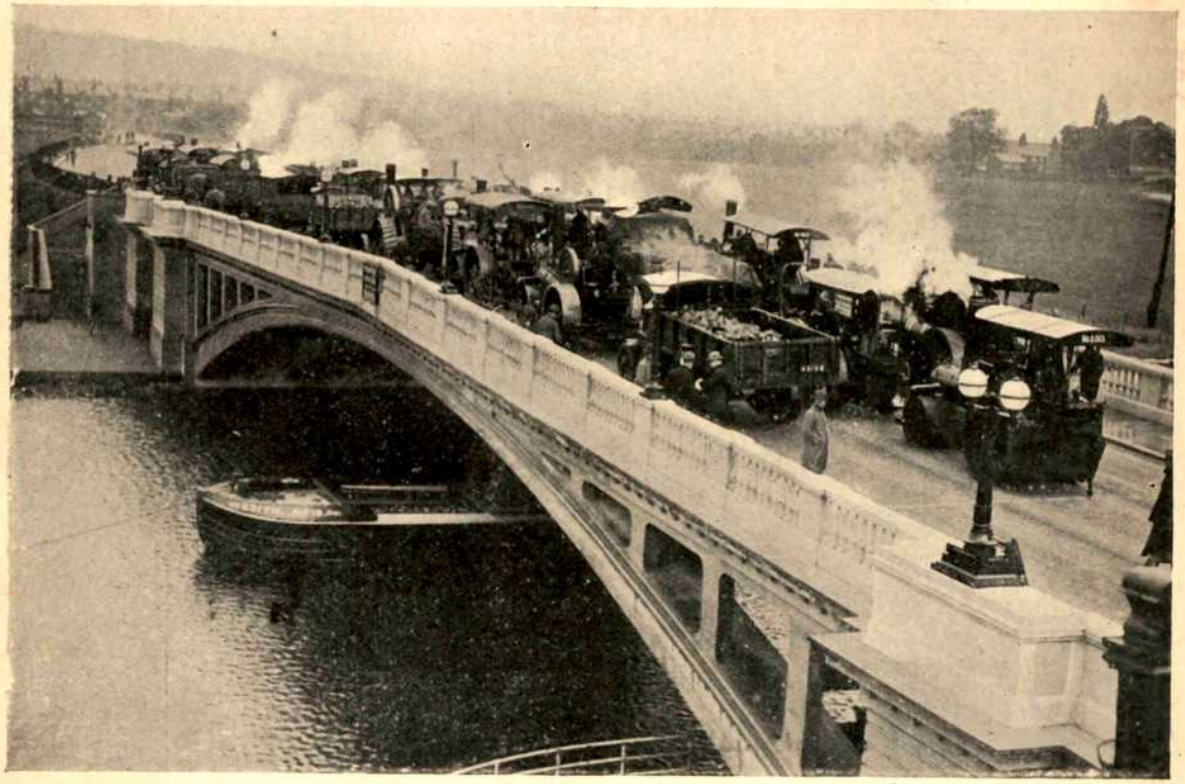
amazing rapidity, and this was a serious handicap. But more serious still was the treacherous nature of the alluvial soil. Where there was solid ground the columns were supported on massive concrete bases six feet square, but on the marsh an adequate foundation could not be obtained until piles 16 inches in diameter had been driven down in sets of three by the new vibro-piling method. More than 1,000 of these piles were used; fifty per cent. more than had been estimated in the original plans; nearly 20,000 tons of concrete were required. The viaduct was erected under two years at a cost of £120,000.

THE BERWICK BRIDGE.

Reference has already been made to the bridge now under construction over the Tweed at Berwick, which can claim the distinction of being the largest ferro-concrete bridge in this country, though by no means the first, as at Reading and at other points, the Thames is already spanned by such crossings. The Berwick bridge will have a total length of 1,405 feet and will consist of four graceful spans, the largest measuring 360 feet from centre to centre. Securing the foundations for the piers that carry the arches proved no light task. Silver sand was encountered and in this ordinary piles were lost. So concrete piles were driven into it and their tops cut off by means of hydro-oxygen. Thus a stable base was established from which the piles were built up. In the erection of the spans an immense amount of falsework was necessary. These held the iron bars and reinforcing rods in position, and also the moulds into which the concrete is poured by means of cranes and then allowed to set when the framework is removed. The bridge is expected to be completed in about a year's time.

CONCRETE'S CROWNING ACHIEVEMENT.

Perhaps the greatest feat in ferro-concrete construction is the Tunkhannock Viaduct, across a wide and deep chasm in Southern California. It carries the double tracks of the main line of the Lackawanna Railway from mountain to mountain across the valley of the Tunkhannock Creek. The viaduct has a total length of 2,472 feet and consists of twelve graceful spans, ten of them being of 180 feet and two of 100 feet. The viaduct is more than double the length of the great bridges that span the Menai



Test of the Bridge undergoing a total Rolling Load of 372 tons.
READING BRIDGE.

Straits, while the track is carried at a height of 240 feet above the river, or nearly a hundred feet higher than that of the famous Forth Bridge. In the erection of this single bridge there were requisitioned 167,000 cubic yards of concrete and nearly a thousand tons of reinforced steel. Truly, there would appear to be nothing needed to-day in the way of buildings and bridges which cannot be carried out efficiently in ferro-concrete.

First large Building in London to be built of Ferro-Concrete, the General Post Office extension of St. Martins-le-Grand. With the exception of the front, which is faced with Portland Stone, the whole edifice is of concrete.

Business and the Law of Banks and Banking.

By F. E. SUGDEN, A.C.I.S., F.R.Econ.Soc., *Barrister-at-Law.*

The relation of Banker and Customer is becoming more in imate and interdependent, and upon the successful adjustment of this depends not only their individual welfare, but the collective interests of the commercial world as a whole. This series, of which this is the first, will be of considerable importance to our readers.—EDITOR.

THERE has recently been completed a series of articles on the Law of Contract and the Law of Agency with special reference to the Commercial aspirant. As will readily be appreciated, owing to the rapid growth of our present commercial system, it is encumbent more and more both for the large and small trader to have recourse to the Banks as a media of effectively dealing with one's present financial system. This is greatly accountable for the ever increasing number of branches of Banks that are constantly being opened by various large Banking Institutions. As stated by the Chairman of one of our leading Banks at the Annual General Meeting, their desire was to cater for the "small man" as well as the Commercial Magnate. In fact, he stated the average credit balance of each current account holder was £227. Obviously the above figures show that the small trader is very properly more and more taking advantage of the Bank facilities that are offered to him.

In order that the Business Man may successfully deal with a Bank it is, as one will appreciate, a necessity that he should know his legal relationship with this type of Institution and conversely it is equally essential that the Banker's and Bank's legal rights should be carefully studied by the Business Man also.

THE RELATIONS OF CUSTOMER AND BANKER.

The receipt of money by a Banker from his customer constitutes the relationship of Debtor and Creditor between the customer and his Bank. In the case of Foley v. Hill the Court laid down that the relation between the Banker and his customer who pays money into the Bank is the ordinary relation of Debtor and Creditor (i.e., the customer is an unsecured creditor of the Bank), with a super added obligation arising out of the custom of Bankers, for Bankers to honour the customer's cheques. The very fact the Banker allows interest on current account balances as is frequently the case with provisional branches of Banks and a few London ones does not alter the above relationship.

WHAT IS THE LEGAL POSITION IF A BANKER'S CUSTOMER PAYS MONEY INTO THE BANK WHICH HAS BEEN OBTAINED BY IMPROPER MEANS, E.G., STOLEN.

In the absence of definite notice, either verbally or in writing, the Benker need not concern himself with the question of customer's title to money paid in by him. In the case of Thompson v. Clydesdale Bank Ltd., a broker was instructed by trustees to sell shares and re-invest the proceeds in the name of the trustees. Instead of doing so, the Broker paid the money into his own private account with the Clydesdale Bank Ltd., where his account was largely overdrawn. The Bank knew that the money was the proceeds of the sale of shares, but did not know and had made no inquiry whether the money belonged to the Broker or was only in his hands as agent. The Court of Appeal held that the Bank was at liberty to apply the money in satisfaction of the Broker's overdraft.

A Banker is not at liberty to disregard intimations conveyed to him by the title or character in which the account is opened. In the case of the British America Elevator Co. v. Bank of British North America, the British America Elevator Co. made an arrangement with the Bank of British North America that the latter should advance money to the former's agent, to meet certain periodical payments as they became due, to be repaid by drafts drawn on the Company. The Bank's local manager allowed the agent to pay these drafts, as he received them, into his private account, which was overdrawn, upon which he then drew cheques generally. In an action brought by the Company to recover the

proceeds of the drafts alleged to have been misapplied the Court contended that it was a misapplication of trust in which an account should be taken of all sums so received by the Bank and judgment was given for the Company and not the Bank for the balance found to be due after making all proper deductions proved by the Bank.

The question is frequently asked can a Banker legally refuse to accept an account? A Banker may refuse to accept an account in any form which implies that it is affected by a trust.

WHAT IS THE LEGAL POSITION WHERE THERE ARE NOT SUFFICIENT FUNDS TO MEET THE CHEQUE AND THE PERSON IN WHOSE FAVOUR THE CHEQUE IS DRAWN IS WILLING TO MAKE UP THE DEFICIENCY BY PAYING MONEY INTO THE ACCOUNT SO THAT THE CHEQUE MAY BE HONOURED FOR THE FULL AMOUNT?

Where a cheque for an amount larger than the available balance is presented, the Banker should not allow the holder to pay the deficiency and then pay the cheque. In the case of Foster v. Bank of London, the sum standing to the credit of Foster, a customer of the Bank of London, was £438. The Bank disclosed the state of the account to another of their customers, one of his creditors, and the latter was enabled to pay to the credit of Foster's account a sum sufficient to cover the amount of a bill and a cheque held by him, which the Bank honoured. The Court held that the Bank had no right to receive such an amount and no right to disclose the state of the account.

WHAT IS THE LAW IN REFERENCE TO THE KEEPING OF DIFFERENT ACCOUNTS BY THE SAME CUSTOMER?

Unless there is a special arrangement to the contrary, the Banker is entitled to combine different accounts kept by the Banker's customer in his own right, even though at different branches of the same bank and to treat the balance, if any, as the only amount really standing to the customer's credit. Unfortunately the Business Man has not the equivalent right and cannot utilise a credit balance at one branch for the purpose of drawing cheques on another branch where he has no account or where his account is overdrawn. This point of law was decided by the case of Greenhalgh v. Union Bank of Manchester.

WHAT IS THE LAW IN REFERENCE TO THE CLOSING OF ACCOUNTS BY THE BANKER?

A Banker is not entitled arbitrarily to close a current account which is not overdrawn. The Banker must give the customer reasonable notice and make satisfactory provision for outstanding cheques. In the case of Prosperity Ltd. v. Lloyd's Bank, Ltd., the Court laid down that in the absence of special stipulation Lloyd's Bank could close a customer's banking account which is in credit only on giving him a reasonable notice, dependent on the nature of the account and the facts and circumstances of the case. A banking account, which was opened by Prosperity Limited with Lloyd's Bank and had a credit balance of £7,000 was so interwoven with a "snowball" scheme of insurance devised by Prosperity Limited that it became in respect to subscriptions a part of the scheme. The Court held that a month's notice by the Bank to discontinue the account was not in the circumstances sufficient but the Court would not grant an injunction against the Bank preventing them eventually closing the account. This case proves that a reasonable notice must be given.

MARRIED WOMEN AND INFANTS,

Speaking of the capacity of parties in reference to the ability to open Banking Accounts what is the position of Married Women and Infants in this connection? Does the progressive Branch Bank Manager take any undue risks? A married woman may open an account at the Bank in her own name. The lady has power to draw cheques and give a sufficient discharge and bona fide dealings can be conducted by the Banker.

In the case of Infants (i.e., legally persons, lady or gent, under twenty-one year of age). A current account may be opened with an infant so long as it is not allowed to be overdrawn; because an infant may be a creditor for money due to him from a debtor. A cheque drawn by an infant entitles the holder to receive payment.

WHAT IS THE LEGAL RELATIONSHIP OF A PERSON WITH THE BANKER WHEN THE FORMER HAS OPENED A DEPOSIT ACCOUNT WITH THE LATTER?

The receipt of money on deposit constitutes the Banker a debtor to the depositor only in a similar manner that the relationship of debtor and creditor exists with a current account holder and Banker and nothing more. The Banker is not even a trustee under such circumstances. A deposit receipt is exempt from stamp duty as an agreement or otherwise.

WHEN SHOULD A COLLECTING BANKER PRESENT A CHEQUE FOR PAYMENT?

Sometimes irritation is caused between the Banker and customer in reference to the collection of cheques. The question that is naturally asked is what is the law on this point? Strictly speaking the Banker is the agent of his customer

to receive payment of the cheque from the Banker on whom it is drawn and holds the proceeds at the disposal of his customer the Commercial man. The Collecting Banker is bound to exercise diligence in the presentation of the cheque for payment. The Collecting Banker fulfils his duty if when the cheque is drawn on a Bank in the same place, he presents it the day after receipt. But when the cheque is drawn on a Bank in a different place the Collecting Banker may either present the cheque or forward it on the day following receipt.

WHAT IS THE LEGAL POSITION OF THE BANK WHOSE SERVANT FAILS TO PRESENT THE CHEQUE IN A REASONABLE TIME?

If the Banker fails to present the cheque within the allotted time after it reaches him, the Bank is liable to his customer for loss arising from the delay. The endorsers (if any) are discharged and the drawer of the cheque is discharged to the extent of any actual damage he may have suffered by the failure of the Bank on which the cheque was drawn subsequent to the time when the cheque should have been presented.

It is very important to note the law in reference to the collection of cheques in the case re Farrows Bank Limited. The Appeal Court laid down that where a customer pays a crossed cheque into his bank, the question whether the bank receive it as agents for collection is pure question of fact. If the Bank receive the cheque as agents for collection and stop payment before it is finally cleared at the clearing house, they (the Bank) can only receive and hold the proceeds as collecting agents for their customer, and not on the ordinary bank relationship of debtor and creditor, consequently if the Bank is wound up following on the stoppage the liquidator must pay the full proceeds of a cheque cleared after the stoppage to the customer, although it was cleared shortly before the actual winding up.

WHAT IS THE LEGAL POSITION WHEN THE FAMILIAR "R.D." (RETURN TO DRAWER) APPEARS ON A CHEQUE; THAT IS WHEN THERE ARE INSUFFICIENT FUNDS TO MEET A PARTICULAR CHEQUE?

If a cheque be dishonoured on presentment, the Banker has the legal right to debit the Business Man's account with the amount. The Banker must give due notice of dishonour either to the persons liable on the cheque or to the Banker's customer. Branches of the same Bank are held to be separate persons for the transmission of notice of dishonour of a cheque. Where a cheque drawn by one customer of a Bank is paid for collection by another customer and there are not sufficient funds to meet it, the Banker still has till the next day in which to return it. Where a cheque is sent by post to a Bank in the dual capacity of agent for collection and paying Bank, it is bound to return it the next day after receipt if unpaid. In the case of Parr's Bank v. Ashley, a country Bank upon whom a cheque was drawn was held liable for the loss sustained by another country Bank, by whose agent the cheque was presented at the clearing house, in consequence of the first mentioned Bank, who dishonoured the cheque, failing to return it to the second Bank by return of post.

WHEN MAY A CUSTOMER DRAW AGAINST CHEQUES RECENTLY PAID IN?

This difficult point is often raised. Where cheques are collected, the Banker has a reasonable time, consistent with counting house routine, in which to pass the proceeds to current account before they are available for drawing against. This point of law was laid down in the case of Marzetti v. Williams. Where uncrossed cheques are credited as cash prior to receipt of payment, the customer is at once entitled to draw on them. But if the cheque is dishonoured the Banker is still entitled to debit the customer's account.

(To be continued.)

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"Success Qualities."

VI.—ORIGINALITY.

By FRANCIS J. LAMBERT, A.C.I.S., Cert.A.I.B.

The man who would succeed in business must first fit himself by learning to develop the various qualities which contribute to this end. This series of articles deals with some of the qualities which are worthy of cultivation. Smartness, Accuracy, Character and System have already been considered and the present article discusses the importance of Originality—ED.

LAST month's article dealt with the " Success Quality " which we termed System, i.e., the ability to do things in an orderly and systematic manner. The quality of Originality, which we will discuss briefly in this article, has some points of similarity, but otherwise is entirely distinct, for it concerns thought and action which is *new* and *different*, whether it be systematic or not. In many professions System as a quality may be of minor importance, whereas Originality will be essential to any real success. In business, on the other hand, System is very important and can—and very often does—exist without the slightest trace of Originality. If, however, Originality is present in addition to a systematic habit of mind, there is the prospect of outstanding success far greater, for this is a quality which, as we shall see, quickly raises a man above those with whom he works.

THE BABY ON THE BICYCLE.

Originality, the dictionary tells us, is " the power of producing new ideas or expressions of thought." In other words, it is the ability to think of something new, something that you have not previously seen or read or learnt or heard of, something that the machinery of your brain has produced from the raw material alone. The definition, in the sense in which we are using it here, must not be narrowed down to include only things which have never previously been thought of by any one, for then it would have little interest for us, being a rare quality possessed only by the inventor, the expert or the genius. For our purpose, it is sufficient if the thought is new as far as the person producing it is concerned, although many others may have already produced the same thought unbeknown to him.

If I succeed in thinking out an idea, a system or a theory which has never before been presented to my mind, using for this purpose the various raw materials of facts which I have previously stored up therein, then I have shown Originality, and it does not much matter whether thousands have already produced the same thought from the same materials or not.

On the other hand, to be original is not to be eccentric. The latter refers to action or thought which is *unnecessarily* different from the usual or average. The man who first appeared on a bicycle with his baby in a basket seat on the front handle-bar showed originality, but the man who insists upon walking down the street in his pyjamas is merely eccentric. Originality is, then, the power to produce something *usefully* different from the usual, something which is not only new but also better than that which existed previously. The " newness " of our Originality must have some useful object, or it is pointless and, often, merely annoying to others.

THE SAND CASTLE COMPETITION.

Originality manifests itself in many ways. There is the original tradesman who thinks out an unusual window display; the original copy writer who produces an advertisement which is out of the ordinary; the newspaper editor whose methods are arresting and striking; or the sales manager whose letters are so original that they grip the attention. These are all examples of Originality used with the definite and immediate object of promoting and increasing Sales.

The late Lord Northcliffe possessed this gift of Originality in a very marked degree. Much of the amazing growth in the circulation of his newspapers was due to the unusual and striking advertising ideas that his fertile brain produced. The Sand Castle Competition is a case in point. One morning he noticed a photograph in a paper of a boy who had built a castle in the sand and had drawn a device of some kind upon its side. At once the whole scheme formed in his mind, and forthwith he sent a note to his executive, giving instructions for it to be put into operation. And so every summer time, by the simple expedient of offering prizes for the best work done, thousands upon thousands of children, round the whole coast of England, are induced to give to his paper an enormous amount of free publicity by making designs in the sand, bearing upon them the words " DAILY MAIL " and the figures of its circulation.

FOR SALESMAN AND ARCHITECT.

In every branch of selling, Originality is an essential factor, for the aim is always to attract

The Exceptional Railway Rate Problem.

Specially Contributed.

The vital relation of costs of transport to those of production and ultimate sales is now beginning to be appreciated in detail. Many important problems, national, industrial and social, will be solved only by the scientific development of transport to the degree its merits demand, with the resultant reduction of costs all round. This article, by an eminent and practical authority will assist all who despatch and receive goods by rail to a better understanding of a highly specialised phase of the problem which demands their immediate and serious attention, and will brook no delay.—EDITOR.

IN the immediate future the traders of this country will have to turn their serious attention to the rates charged to them by the railway companies for the conveyance of their traffic from point to point, and what follows is designed to assist the reader in focussing his attention upon this matter.

PRELIMINARY WORK.

It will be recalled that the Railways Act of 1921 provided the machinery for a complete revision of the rates and charges and terms and conditions of conveyance for traffic upon the English railways, and since the passage of that Act a great deal of work has been accomplished. The railway classification has been completely re-modelled, standard terms and conditions governing the conveyance of merchandise by railway have been agreed upon, and recently standard rates have been fixed by the Railway Rates Tribunal—that body which was established under the aforementioned Act to determine these matters; and very soon one of the most important, if not the most important, matters will come up for consideration: that is to say, the retention of the exceptional rates and charges as distinct from the standard rates and charges.

WHAT SECTION 36 PROVIDES.

Now at least 80 per cent. of the traffic conveyed by the railway companies of this country is consigned and charged at what are known as "exceptional" rates—rates, that is to say, which are below both the legal maxima and below the ordinary class rates, and in respect of these exceptional rates Section 36 of the Railways Act of 1921 provides as follows:—

(1) On and from the appointed day all exceptional rates in operation immediately before the appointed day on the railway of any amalgamated company or any company to which a schedule of standard charges has been applied shall cease to operate, with the exception of such exceptional rates as:—

(a) are not less than five per cent. below the standard rates which would otherwise on and from the appointed day become chargeable; and

(b) have been continued by agreement in writing between the railway company and the trader concerned or, failing agreement, have been notified in writing to the secretary of the railway company by the trader with a request that they should be referred to the rates tribunal for determination by them, in which case the rates shall continue until determined by the rates tribunal, and the onus of proving that any such rates should be altered or discontinued shall be upon the railway company;

so nevertheless that no rate which has not been applied to the charging of merchandise actually forwarded within the two years preceding the first day of January, nineteen hundred and twenty-three, shall be continued unless the trader can prove to the satisfaction of the railway company or, failing agreement with the railway company, to the satisfaction of the rates tribunal:—

(i) that its non-application is solely due to abnormal conditions of trade; or

(ii) that a rate of equal amount to the same destination remains in operation at other stations or sidings in the same group or area:

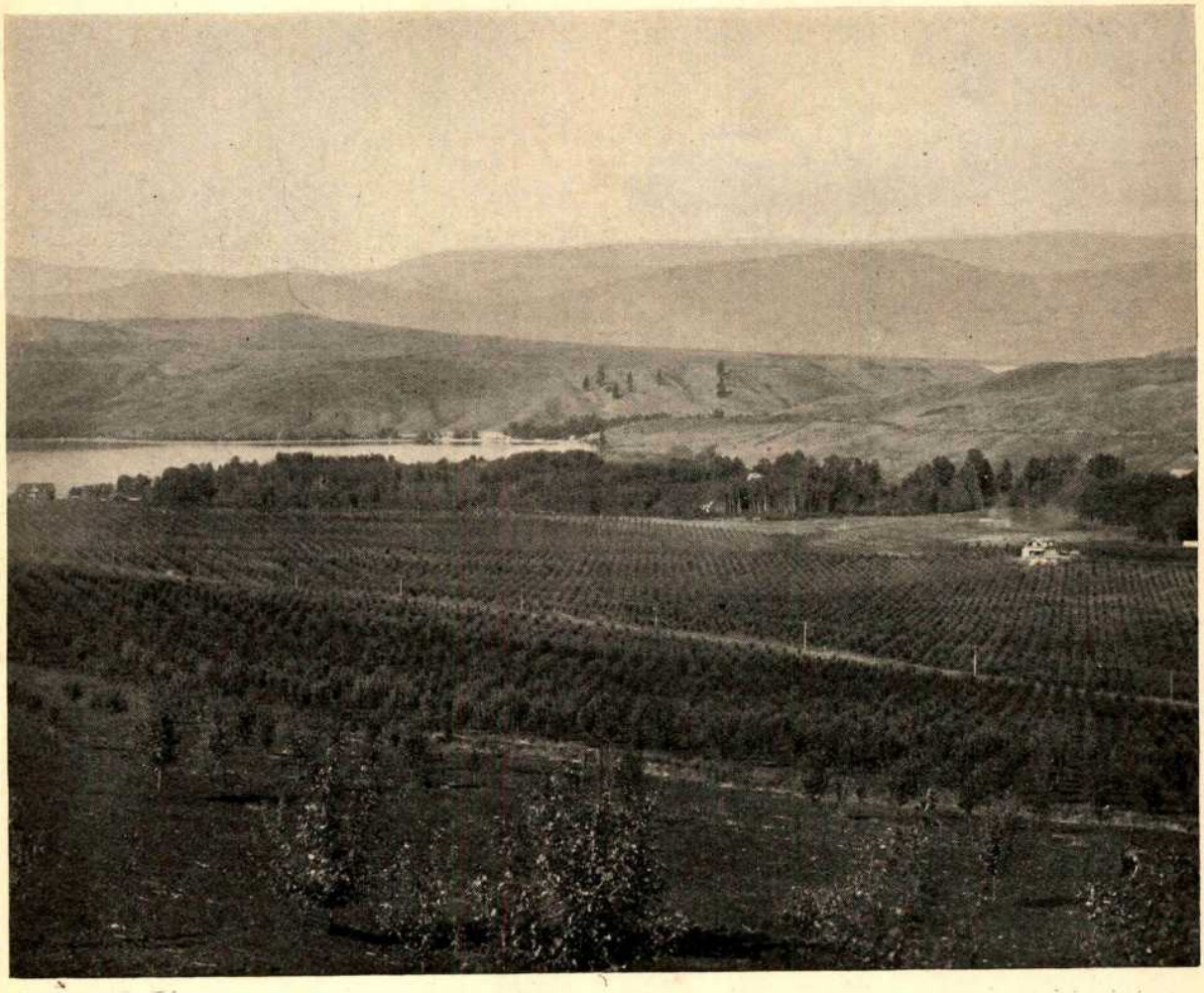
Provided that, if the trader and the railway company agree to continue any rate which will be more than forty per cent. below the standard rate chargeable as aforesaid, the rate shall, before the appointed day, be referred to the rates tribunal, and, if so referred, shall continue until the tribunal have determined the matter.

(2) Any such agreement or determination may provide for the continuance of any exceptional rate at the same or any higher figure or charge, not

THE INDUSTRIAL RECORD.

Let me pass to the industrial sphere. What a story of growth this last quarter century shows! Manufacturing has passed from second to first place among the industries of Canada, with a percentage to total of net production of 43 per cent., agriculture coming second with 36 per cent. Taking 1925 alone, it was a year of recovery in the field of Canadian industry, while the same year was characterised by a steady recovery in industrial employment. How suggestive and encouraging that the manufacturing production of 1900, of slightly less than half a million, reached $1,300,000,000 in 1924, and that the invested capital had jumped from half a billion to the much larger figure of $3,380,000,000—showing an extraordinary percentage increase. In 1900 there were few, if any, American branch industries in this country; now the number ranges between 1,000 and 1,200, representing the huge investment of nearly a billion dollars, or 15 per cent. of all United States investments abroad, and 31 per cent. of total investments in Canada. Few prophets, a quarter of a century ago, would have ventured to predict this degree of growth.

(To be continued.)



One of Canada's Smiling and Fruitful Valleys.

Starting Lumber on its adventurous river journey.

while 16 metals and 27 non-metals are mined in Canada.

"Canada to-day is one of the most important mining countries in the world, but the underground resources of the Dominion have as yet scarcely been touched," declares Dr. Charles Campbell, the Dominion Deputy Minister of Mines. "In time the Dominion will be known to the rest of the world as a producer of minerals no less than a producer of foodstuffs. The countries of the Old World were gradually exhausting their mineral resources, and were looking more and more to Canada as a source of supply."

Little or nothing was known, or seriously considered, in 1900 regarding the pre-Cambrian shield, which covers half of the vast Dominion area and is potentially rich in precious metals, as proved by the Porcupine and Kirkland Lake goldfields of Northern Ontario, the Rouyn areas of Quebec, and now the Red Lake district of Ontario, while the mineralised area of Central Manitoba indicates further untold wealth.

TIMBER AND PAPER.

Few people realise that Canada is the Empire's chief timber storehouse, having nearly fifty per cent. of its forest area, and the second largest in the world, only exceeded by the United States. Our lumber production has more than trebled in value in a quarter of a century—from $30,000,000 to $108,000,000; or, combining lumber, pulp and paper, the total is the imposing sum of $319,000,000. The logging production reveals a similar expansion to lumber, also from $30,000,000 to $140,000,000. As a result, Canada now ranks second among the world's lumber-producing countries. In former years the hard timbers, together with pine, constituted the chief source of wealth in this department; now the wide range of soft timbers have added an unsuspected value of millions more to our national wealth.

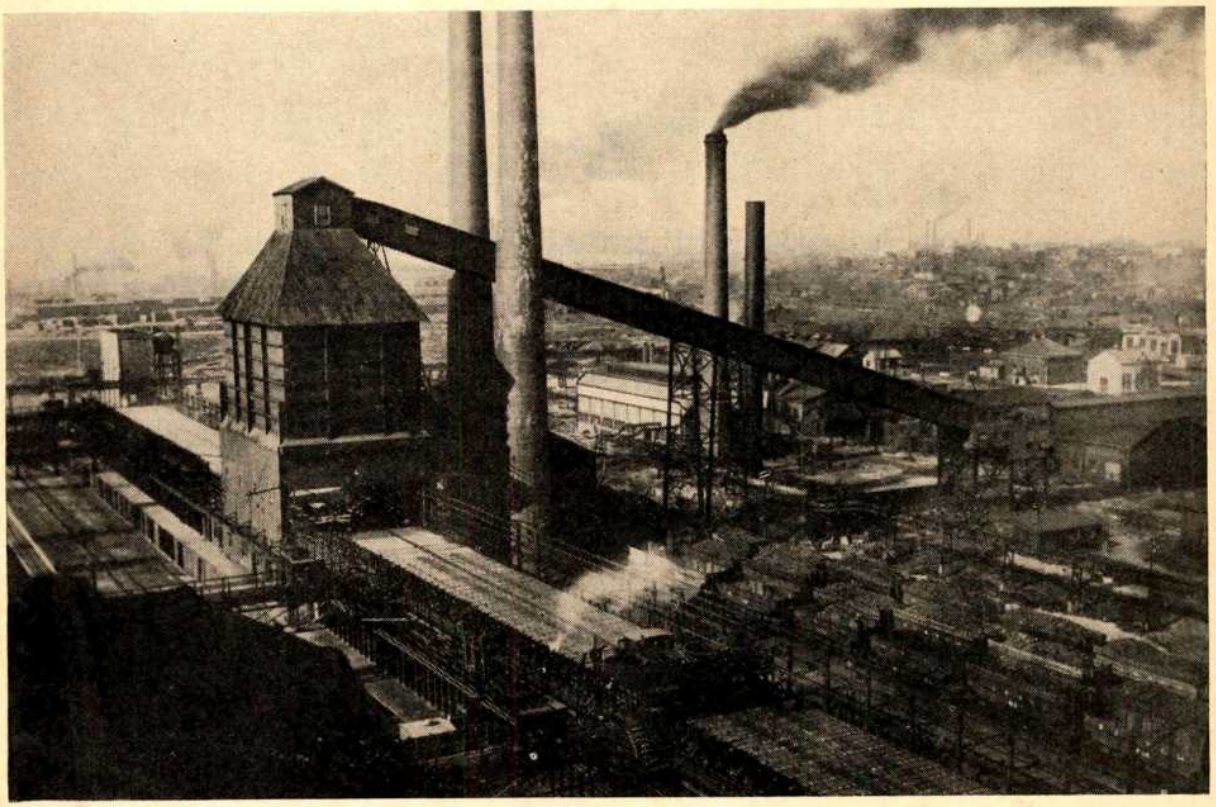
180 per cent. While the whole world increased its wheat production, even during the last decade, by 14 per cent., Canada increased hers by 106 per cent.! No wonder an authority has declared that the wheat supremacy of the world is passing to the Dominion, or that she is to-day the world's chief wheat exporter.

FROM THE PRIMITIVE TO —— ?

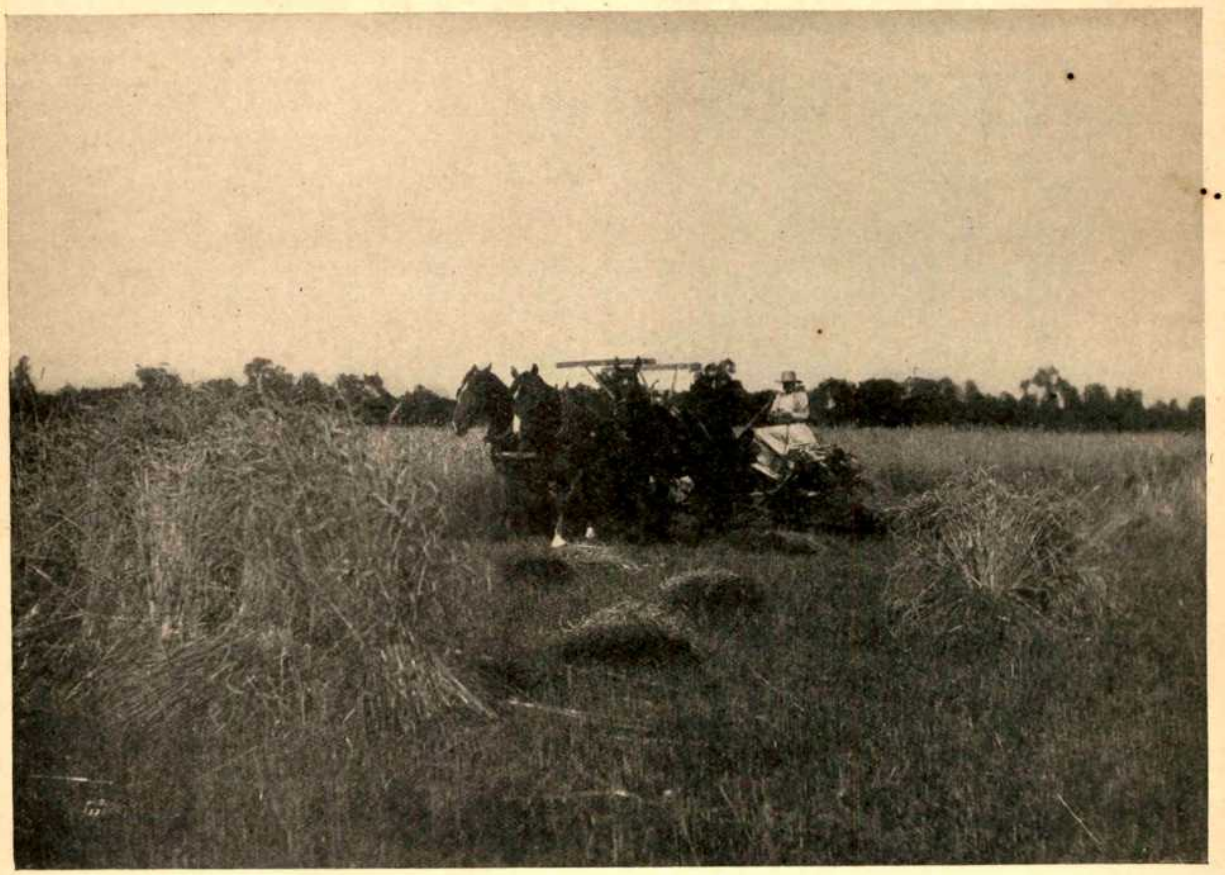
The 1900-1925 contrast is even more striking when compared to the Canadian West. Manitoba was, in 1900, the only organised prairie province, and Saskatchewan and Alberta were still a part of the almost indefinable north-west territories. The three provincial capitals were embryonic as cities, and vast leagues of the prairies were tenantless and untilled. The Red River cart was then still in evidence, and the trail had not been lost in the highway. The first transcontinental train of the C.P.R. had crossed the plains and the mountains just five years before, and Mackenzie and Mann had only dreams of other tracks of steel. Rockies and Selkirks were largely unmapped and unexplored; the Yellowhead Pass was still a trapper's trail, and the site of the Prince Rupert was covered by a British Columbian forest and a thriving crop of rocks!

MINERAL WEALTH ILLIMITABLE.

Consider the great expansion in the mineral world. Mining production has increased from $65,000,000 to $228,000,000, and even yet it is asserted we have scarcely scratched the surface of the country in prospecting, and a Yukon mining expert assures me the same is true of that land of gold. Speaking of the yellow metal, the lure of which never ceases, Canada is steadily forging ahead as a gold-producing realm, with a production in 1925 of $35,000,000, and with an output, in one alone, the Hollinger, that is gradually reaching the leader in the South African field. Canada now produces about 90 per cent. of the world's cobalt, 88 per cent. of the world's asbestos, 70 per cent. of the world's nickel, 9 per cent. of the world's silver, 8 per cent. of the world's gold, and 3 per cent. of the world's copper,



British Empire Steel Corporation, Sydney, Nova Scotia, Canada.



Niagara District—Cutting fall wheat.

Or take any of the staple grains. Oats have increased from 152,000,000 to 573,000,000 bushels; barley from 22,000,000 to 112,000,000 bushels; rye from 2,225,000 to 13,688,500 bushels, and hay from 8,000,000 to 16,000,000 tons—and all other grains and roots in equal proportion. If this momentum of crop production is maintained during the next 25-year period, what tremendous quantities will result! The 4,000 elevators will be swamped, as they are sometimes now when a good harvest is given us, and one staggers at the arithmetic involved in rail or water transportation with a momentum of annual yield. Perhaps the Hudson's Bay Railway and water route to Europe will then help to handle the problem; perhaps other routes will be needed to haul some of the golden harvests-to-be to the Pacific Coast, with more and greater elevators and vessels in Prince Rupert and Vaucouver. Does not a review of the past quarter-century span justify such prophecies?

"IN THE BEGINNING."

It is, in the light of these facts and prospects, not an exaggeration to say that we are only beginning to grow grain in Canada, with a doubling of land under cultivation since 1900, from 30,000,000 to nearly 60,000,000 acres. If the huge governmental estimate is reliable, that there are 440,000,000 acres fit for cultivation in the nine provinces, then truly there is ample room for agricultural expansion in the years to come.

WHEAT—CANADA FIRST!

Of all the agricultural countries of the world Canada stands first in ratio of increase of production in the first quarter of the twentieth century. Wheat production at the end of this quarter century was over 600 per cent. greater in yield than in 1900; oats, 200 per cent.; barley, 500 per cent.; rye, 600 per cent.; forage, 200 per cent.; hay, 100 per cent.; horse breeding, 125 per cent.; beef breeding, 70 per cent.; swine, 88 per cent.; poultry,

EMPIRE BUSINESS.

The Country with a Margin.—I.

A Survey of Canada's Progress in the first quarter of the Twentieth Century.

By FRANK YEIGH (Correspondent of the I.E.S.).

Author of "5,000 Facts About Canada for 1926."

(Photos by courtesy of Canadian Government).

CANADA is making progress.

What is progress? It is where flow exceeds ebb. By such a test, this land of a half continent is forging ahead; it has reached a momentum of expansion that not even a great war has seriously or permanently affected; it is, even more than ever in the past, a country with a margin.

A quarter of a century makes a good yard stick of time with which to measure national growth; a period of a quarter of a century affords a test of progress. A quarter of a century! How long a stretch this seems when viewed in the perspective of the future, but how brief a day when passed. Time is, indeed, a relative term. In the presence of Cleopatra's Needle or the Coliseum it is to be expressed in terms of Empire history; Westminster Abbey spells a round millennium; Canada is yet in her relative youth with only four hundred years from her date line of discovery. And even in the Dominion, the Canadian West is scarcely more than a half century old, or young, since definite settlement began and cities were born.

But the current calendar of a quarter of a century will make an effective basis of comparison as to Canada's progress. First, from a negative point of view, how many things have come into existence since 1900; the daily growing marvels of radio and wireless; the modern evolution of Darious Green's flying machine; in the aeroplane; the transition of the motor car from a curious plaything to a practical necessity; the harnessing of water powers on an extensive scale for the use of man; the development of the elevator—from 500 to 4,000—to keep pace with the grain production; the discovery—almost the rediscovery—of the pre-Cambrian mining field, which is only now beginning to yield up its precious metals; the expansion of the pulp and paper industry from a small experimental total to over $300,000,000; the extension of electric railways, and the establishment of fur farms. Both Marquis and Garnet wheats have come into existence since 1900, and alfalfa as well. The telephone has had its chief development, and the rural mail delivery its expansion during this period.

WHAT OF THE SOIL?

The application of the quarter-century test to any department of national resources production will show a remarkable ratio of progress. What of the soil, that greatest of all gifts from a beneficent Creator? The span of time in question shows huge increases of chief field crops, in terms of quantity, from 300,000,000 bushels to well over a billion; of wheat, as the main crop in importance and value, from 55,000,000 to 416,000,000 bushels, and of wheat value from $36,000,000 to $465,000,000. We had only begun to export wheat in 1900, with less than $5,000,000 worth, a figure that has risen to $267,000,000. In corresponding degree, flour exports were then a negligible quantity, of a value well under $10,000,000, while, after a quarter-century Canadian flour—the best in the world for food quality and body-building results—radiates to more countries—sixty or so—than any other production, representing a value of $62,000,000, and the flour mills have of necessity increased in proportion until there are 1,364, with a production value of over $200,000,000 and nearly 18,000,000 barrels.

The Woman in Business.

NOTE.—The second advisory article on "Careers for Shorthand Typists" is held over until next month. We regret that great pressure upon our space has interrupted for even one month this valuable contribution to the welfare of our lady friends.—EDITOR.

The Educated Woman in Retail Selling.

By JESSIE STEVENS.

THE presence of educated women in business has done much towards the development of our palatial stores of to-day. Customers appreciate the atmosphere of refinement and the interest shewn in service rendered.

Their coming has been gradual and with a certain amount of hesitation, for after all it was an adventure. But now we find girls from our Public Schools and Universities realising that retail selling offers a career with a real future, working in harmony with girls of far lesser education. In this respect women are shewing a fine example of breaking down the class barrier so often the cause of misunderstanding and unrest. Possibly it may help towards the much desired "Peace in Industry."

BEHIND THE SCENES.

Women find so many attractive careers to choose from nowadays that naturally they consider one from every aspect before making a decision.

The chief drawback to retail selling in the minds of many sensitive girls from refined homes is the inadequate accommodation given to staff in some business houses. Ill arranged cloak rooms; bad washing facilities and a stuffy dining-room with soiled table cloths, are examples of the difficulties.

Although many up-to-date firms have changed all this it will have to become more general before educated women enter the retail world in great numbers.

HOW EDUCATION HELPS.

A short time ago an interesting experiment was tried. A well educated girl sold hosiery for the first time at a busy counter in company with three of the permanent staff at a crowded shop. Her companions looked upon the work as a job until closing time, then freedom for the "Pictures." The result was that the stranger topped the day's takings by some pounds.

What was the reason? How did education score? The cause is very easy to explain.

Knowledge brings confidence in oneself and enables freedom of speech which is usually lacking in the ignorant. Continued study quickens the brain, helping one to understand the mentality of others. This alone creates a sale which otherwise often would not be made.

A student unconsciously develops refinement of manner and accuracy in speech which appeal very strongly to the average customer.

EDUCATION FOR ALL.

The Modern Store is naturally staffed with men and women of various grades of education although the present-day method tends to educate boys and girls in the Firm's own school. Many skilled saleswomen who have risen to important positions are anxious to gain knowledge already acquired by colleagues from the Public Schools. They too are keen to study business subjects in connection with their new surroundings.

With this desire for continued education managers should make it as easy as possible for adults to attend evening classes for they will benefit both the student and the firm. Many employers return all fees to student members of their firm when 80% attendances have been made.

Although the number of adults attending evening schools has grown considerably in England during recent years, it cannot be compared with that of America. The American has long appreciated the fact that education is the foundation of success in business. What is more, he knows that a foundation must be built upon, and in that country the roof is a long way up.

UNITY OF INTEREST.

Interest and incentives can get the largest quantity of work from most people. Ruskin stated this truth when he wrote "The largest quantity of work will be done when the motive force, the will or spirit of creature is brought to its greatest strength by its own proper fuel; namely, the affections." The highest affections one can have for work of any kind comes from pride of craftsmanship and material gain, and if we wish to get back to the first, it will be largely by way of the second.

Unity of interest will take away a lot of drabness from industrial and business routine, because work will be done with a better understanding, and labour and employer will get a deeper insight into the needs of the other. When the livening influence of interest can be interwoven into the work of all, whether they be employers, directors, executives, clerks, typists or labourers they will respond to a higher idealism.

THE DAILY TASK AND THE COMMON ROUND.

The difficulty begins with interesting those who regard their daily duties as an irksome task, and in securing a finer type of management. Unfair price cuts are a heavy overhead. When I had supervision of a section as wage clerk I have seen men loaf about as much as a day-and-a-half a week because they dared not do any more work. This meant that overheads were being upheld for six days, when only four-and-a-half days were necessary. As the company was paying big dividends, their prices were right, and six days full work would have meant greater prosperity to both worker and business. Such conditions breed ca'canniness, and hinder progress.

WAGE CUTS v. GOODWILL.

Fix prices, take the fear of price cuts away, give every man a fair deal, and production will go up enormously. Teach the worker the value of the materials he uses and get him to avoid waste, and productive costs will go down; put these advantages into price, service and advertising, and goodwill will be enhanced. Increased production and more sales are the necessary outgrowth, in the face of recent competition. As competition becomes stronger, it means that more and more emphasis must be placed on higher production at a lower cost. Salesmen are generally rewarded for increased returns, but the producer is probably more in need of rewards. It is in the factory that increases in quantity, increases in quality, and decreases in cost per unit are effected. When these are at their highest, selling resistance is at its lowest, and goodwill is worth most.

TRAINED HANDS—AND MINDS.

Opposed to goodwill is illwill. Driven men balk. They work unwillingly, and do not give their loyalty. Where goodwill exists men stay. The employer who can hold his workers, commands a steady gain in skill and experience, and saves many hundreds of pounds which would otherwise need spending to train new workers.

Humaneness is one of the results of true efficiency and its effects are seen in steadily increasing prosperity of business and worker. Men are trained and encouraged to earn more, and big wages are made consistent with big profits. A comparison between the value of trained and untrained workers indicates that training can increase the limits of production.

According to some tests, the nominal value of a new man is 300, rising to 1,600 units. With training he passes out of the chart at 2,500, showing at least a superiority of 56%. Where the employer goes out for teamwork he gets goodwill. The difference in results, between the keen self reliant, earnest unit, and the mentally stunted, interest killed, who is never expected to do anything else but work to a chalk mark or gauge, is a great asset to any firm.

THE NEMESIS OF ILL-WILL.

The methods based on stop watches and wage cuts; and the reducing of all earners to a common level have reached their limits. Every system which fails to increase teamwork is a burden on the business, another straw on the producer's back. The closer we can get to the golden rule, the more will goodwill be fostered. Emerson says "If you put a chain around the neck of a slave, the other end fastens itself about your own." Teamwork will kill suspicion and hostility and bring into industry new life and give us a new lease of prosperity.

THE real capital of the civilised world lies in the creative brains of its leaders, the constructive brains of its engineers and the business brains of its managers.

How Teamwork creates Goodwill.—II.

By O. RIVINGTON.

(All Rights Reserved.)

Mr. Rivington returns to the discussion of "Goodwill," of which his business is so notable an exponent. This is a very practical matter for the component human parts of Industry and Commerce—as practical and important as wages and profits—invoices and cheques.—EDITOR.

THE harmful consequences of the "tooth and claw law," under which industry and commerce is being run, is a cause of anxiety to all who think. Our great and valuable commercial interests are at the mercy of men, so called leaders, whose knowledge of the needs of the time, are away back in the era of the industrial revolution. They neither exhibit ability, nor show any desire to turn industrial discord into harmony of effort.

It seems remarkable that in medicine, in social science, in discovery and invention, the horizons of thought have been widened, but in human relationships, outlook is exceedingly myopic. If we are not fighting, we are either getting ready for a fight, or have just been fighting. Our lack of teamwork and goodwill is slowly sapping the vitality of our trade, and unless saner and humaner councils prevail we shall become a second power.

AN INDIVIDUAL RESPONSIBILITY.

Any attempt to settle the thing as a national problem will leave us where we began. The national problem is a composition of many individual problems, which individual manufacturers or directors can solve. A better blending of the ideal and the practical can create a better environment, and foster a spirit for teamwork. Such firms as Cadbury, Fry, Lever, Benn, Terry, Ford, and the N.C. Register Co., have demonstrated the methods and the results. The goodwill surrounding these names is the product of loyalty, teamwork and interest.

THE "INVESTMENT OF CHARACTER."

Having invested in a higher grade of character, by selecting the right people, the prospects of developing the latent elements of goodwill increase. The better the type, the easier it becomes to mould it to right thinking and proper action. Mere "hands" can seldom rise to take a pride and pleasure in the day's work, or respond to incentives to advance. Muscular effort can be stimulated by the lash, but intelligent effort, loyalty and healthy co-operation never.

Teamwork—loyalty—co-operation—goodwill, can only evolve under proper leadership. The employer who "organises" his labour is merely scratching the surface of rich deeps of wealth and power. The leader releases thought, spurs ambition, generates ideas. One idea thus born may outweigh in value the labour of one thousand hands.

THE NEGATION OF BOLSHEVISM.

Employers can lead. They control almost all the materials which make environments of thought or of existence. If employers having these advantages of superior intelligence and education, do not use their knowledge and educate, and inspire with confidence, the cut throat law will persist and become very serious. A good day's work, under good conditions and a good wage at the end will kill Bolshevism. Just as long as employers prefer to isolate themselves, and treat their workers as "labour," the rich values that teamwork can impart to goodwill, will lie waste.

Goodwill in a product, or name, can often get a higher price than an unknown line. This fact should not be relied upon, as price, quality and service are always under comparison. The fact that price carries many sales implies the need for getting price down to the market level, and supporting it by good quality and service.

"BRAIN WEALTH."

Teamwork makes this possible, by reducing overhead costs, which depend upon the productivity of each worker, and piece of plant. If a factory is producing 10,000 units of work under an overhead of £500 a week, and output can be increased by 1,000, overheads have been reduced 5%, and output increased by 10%.

It is brain wealth that takes pig iron and fashions it into watch springs, and increases value, and whoever can improve the brain power of his workers, builds from the bottom instead of futilely dictating from the top.

has to begin at the beginning in the arduous work of earning a living for himself and of helping to earn it for others. It is possible that the great advantage, which he should have secured at the University, of a mind quick to appreciate values, quick to understand essentials and quick to know that a short application to the preliminary training for business, or for a profession of which business is the life-blood, will carry him through to more important things, may be counteracted by a certain boredom at being no longer a man among men, a clever fellow, or, to go to the films for a metaphor, in Harold Lloyd's words "Speedy." But if that is the type, what hope is there for him in any walk of life?

THE MILLS—CORN—RESULTS.

Emphatically, University training does not unfit a man for business, and it gives, or should give, to those who are prepared to face the realities of life a great advantage over those sent at an early age straight from school to association with junior and other clerks who have enjoyed opportunities less than their own. To my mind there is more danger in sending a boy straight from school to an office at 16 or 17 than at 21 or 22. Admittedly he must go through the mill; but let him do it, if you can, with his eyes open and with the knowledge that there are other mills which grind, and that the result of the grinding depends upon the corn.

"ANCESTRAL" BERTHS.

I was once honoured by the London County Council with an invitation to lecture under its auspices upon the subject of the heading of this article. I refused incontinently; I was too busy and I had nothing of special interest to say. I have tried to write about it now, because many enquiries have been made by fathers in business as to whether their sons, destined to follow in the fathers' steps, should be given the opportunity of a University career. Rightly or wrongly I have always said, "If the boy wants to go, let him." It is not education which spoils the boy; but the son of the successful business man is sometimes spoilt by his father. I could, if I would, adduce many cases of boys brought into "ancestral" businesses, after what is popularly known as a good education elsewhere, and put much too soon into positions to which their business ability gave them no possible claim. But that is another, and, from the point of view of the well-wisher to British industry, a sad story.

The BEST on TEST.
Columbia CLASSIC
RIBBONS AND CARBONS.
COLUMBIA RIBBON & CARBON MFG CO LONDON
LET YOUR TYPIST DECIDE!
From Dealers and Stationers, or
COLUMBIA RIBBON & CARBON MANUFACTURING CO., Ltd.,
Classic House, 22 Bush Lane, London, E.C.4.

ALWAYS it is the master touch that lifts everyday things above the commonplace
'PERFECTOS' No.2 Virginia Cigarettes
10 *for* 10½d
20 *for* 1/9
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JOHN PLAYER & SONS, NOTTINGHAM
Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd
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FOR ECONOMY AND EFFICIENCY—
INSIST ON
Per Tube 1/-
SPREDFIX
Double Size 1/6
The ADHESIVE Paste with its own Spreader
NO WATER. NO BRUSH. NO MESS. NO WASTE.
Stocked by Leading Stores and Stationers.
SPREDFIX, 11, Ludgate Hill, London, E.C.4

The University Man in Business.

By H. J. MORTON, B.A., A.C.A.

What is the best preparation for success in Industry and Commerce? Many eminent firms are making a practice of selecting young men from the Universities for Commercial Training, with a view to the occupation of responsible positions. The author treats the question with a knowledge born of experience.—EDITOR.

THE question is often asked, what is the best early training for a commercial man? Opinions differ. Some hold that the striking success achieved by a few who have slept under the counter of a grocer's shop at the age of 14 or earlier points to the wisdom of commencing a business career at a very early age as an errand boy. Others, with whom I confess greater sympathy, hold that a public school and University career are as important to a boy about to enter business as to one destined, say, for the law. I do not intend to dogmatise on the subject, but it is very clear to me that the leaders on the commercial side of any business of importance must be men of education, foresight, tact and judgment, with wide and generous sympathies, and they must have in addition in no small degree the qualities of energy, efficiency, economy and enterprise.

THE IMPROVEMENT OF NATURAL QUALITY.

So far as education at a University tends to produce and strengthen these qualities in a man, and in very many instances it does tend to success in this direction, then let us decide upon college after school. But a wide and sympathetic understanding of men (and of women, so far as that is possible) is an essential which may be achieved by means other than up-bringing at college; travelling, for instance, far, wide and intelligently, will teach a business man much of what he wants to know. Just as in the actual technical training of a man for commerce and particularly for the organisation of the selling section, a period of actual work as a commercial traveller "on the road" is of inestimable value, so a previous tour of European countries, and further afield in the Dominion and the States, has very great use as a preliminary training. But time and expense are often factors which make this impracticable.

There are those who think that after a boy has spent three or four years in the comparatively care-free life of Oxford or Cambridge, he is not fitted to knuckle down to the worries and detail of business; with this view I do not agree. It matters not where your early training has taken place if you are quick to learn in the school of life and

"If you can fill the unforgiving minute
With sixty seconds' worth of distance run"

THE MEASURE OF DESIRABLE KNOWLEDGE.

Business sense is common sense. You must have a knowledge of figures, but you are not likely to need higher mathematics; you should be widely read, but Latin and Greek are not as essential as are the modern languages of countries in which you propose to do business; above all you should be a student of psychology and of human nature. You will meet many men with many interests; the more you know, the more interesting will you be to your customers and your travellers, and the more readily will you imperceptibly and without self-consciousness impress your personality upon them all. However learned, be simple and straightforward. A little poem of Professor A. E. Housman occurs to me:

When first my way to fair I took
Few pence in purse had I,
And long I used to stand and look
At things I could not buy.
Now times are altered: if I care
To buy a thing, I can;
The pence are here and here's the fair,
But where's the lost young man?
To think that two and two are four
And neither five nor three,
The heart of man has long been sore,
And long 'tis like to be.

THE VALUE OF ADAPTABILITY.

A man destined for any career of usefulness has to recognise on leaving college that great as are his advantages in other respects, he

reading through them, but they usually go on to the end. If the crux of the matter comes at the finish your communication has achieved much. It leaves the recipient in a thoughtful mood, and thinking begets orders.

THE BOOK-KEEPER'S WRINKLES.

Not only does a system like this help to keep old accounts, but it goes a long way towards getting new ones. Unless that is accomplished, all that happens is additional pages in the ledger, and more wrinkles in the book-keeper's brow. One is kept constantly in touch with the buyer, and in this connection, it is well to remember, that he is being approached during most of his waking hours by wide-awake competitors. All manner of snares are set to entrap him. Firms are constantly improving their products, and their service. The impossibility of being for ever at a customer's elbow, proves how much we suffer unless we keep thoroughly up-to-date.

THE "DEARNESS" OF THE "CHEAP" MAN.

Another cause for depression in turnover is the employment, after sales are established, of cheap outside men. Many reputable firms are big sinners in this respect. Having arrived at what they consider a maximum, they seek for ways and means to lessen overhead charges, and their choice often falls on the traveller. While an expensive servant is not necessarily a good one, it is a safe rule to assume that most men "on the road" earn what they get. The amount of low-priced labour available is enormous. A man who is worth a thousand pounds a year, is seldom looking for a job. When one's salary runs into four figures, there is experience and ability behind it. It means the head will usually carry more than a hat.

"KNOW YOUR PRODUCTS."

Moreover, a low-salaried man invariably lacks training, and while it is essential for a bricklayer, or an engineer, to have a thorough knowledge of his trade, it is sometimes considered a sufficient qualification for a salesman, if he knows how to talk, and can dress well. That he is not thoroughly conversant with the article he handles, seems to matter not a jot: when in reality it is his greatest asset.

Nothing is more fatal to sales, and what is of far more importance—*profits*, than reducing costs by the employment of cheaper, and therefore less competent men.

To keep sales at a high and constant level requires much anxious thought, close co-operation between employer and servant, good feeling on all sides, and the most profound respect for the smallest customer.

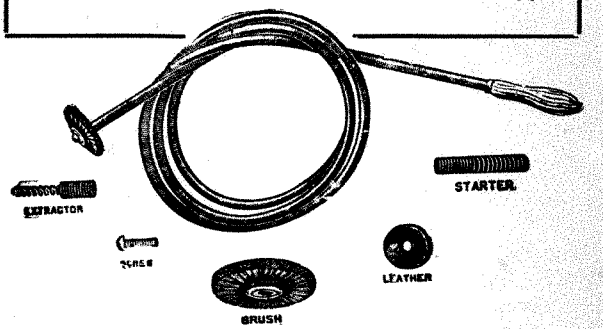
for works' drains

The "AVECTA" drain cleaner goes round any bend with ease, and quickly opens up a choked drain. It pays its cost the first time used, and if used occasionally will prevent waste accumulation, and safeguard health.
Recommended for business houses, hotels, institutions, clubs, &c.

6 ft. x ⅛ in. high grade spring, 3 in. brush 12/6 each.

Extra lengths 1/3 per foot. From ironmongers, sanitary engineers; or in case of difficulty from List free.

HERBERT TERRY & SONS, LTD.,
Manufacturers, Redditch, England. Estd. 1855.



That missing paper

causes more swear words and perspiration loss than the rest of the work.

Why not use a set of Terry's FOLDING LEVER letter clips—and get the habit of classifying and clipping the material as you get it?

Send 2/10 for 12 assorted, 3 each 4 sizes; or ask your stationer to supply them. List free.

HERBERT TERRY
& Sons, Ltd. Manufacturers,
REDDITCH, ENGLAND.

Established 1855.

Advertisements get into the homes of the consumers, to the man or woman who uses, or eats, the article in question. It is from these sources sales emanate. A man can never appeal to so vast a number of individual customers. He does not always even see the man he calls on. How can he, as a consequence, point out just where his goods are so much better than his rival's? Neither will an advertisement, actually, but we are far more attracted by what we see, and something well displayed is bound to impress us.

PSCHOLOGY OF THE "FOLLOW UP."

There are, however, other means of keeping up sales of considerable importance. A good follow-up letter, confirming a traveller's calls, for instance. A well-worded communication on the day following, may just remind a buyer of something missed at the interview: it comes just at the moment it should. It has a psychological effect, often far-reaching. He has seen the representative, possibly given him a good reception, and a fractious customer has made him promptly forget all about it. Just when he is wondering if Brown's pills, or Jones's lotion, is good for influenza, a letter arrives to convince him of the former. Although most pills cure everything, we invariably purchase what we think of at the time.

PILLS—AND OTHER THINGS.

And what is true of pills, is true of most things. The argument, that owing to the flood of literature circulating to-day, such letters find their way into the waste-paper basket, may be true to a degree, it requires very few to be effective to do a vast amount of good. Such details as these are often overlooked by many concerns to-day. It is so inculcated in some, that their goods are of such quality that they sell themselves, that they think such methods beneath their dignity. It is only when they are too poor to be able to buy the necessary stamps, that they realise the truth.

"NEARLY EVERYONE READS LETTERS."

Further, the cost of such letters is exceedingly small in relation to the results. Some of the most astute business men of to-day are money-lenders, and the greater part of their turnover is obtained in this way. Few of us may desire to emulate their calling, but most of us would be happy to get such good returns.

It is not emphasized nearly so much as it should be, that nearly everyone reads letters. They may disagree entirely with the contents, are probably annoyed at the time employed in

Why is it A SALESMAN MAKES MORE MONEY THAN YOU?

If you are in a "routine job," you are really paying for all the high priced supervision over you. You pay the men above for doing the thinking work for you, and for checking your work. Few people realise this profound truth!

But a Travelling Salesman naturally has to work without direct supervision or checking. He has to go out and use his own initiative and control his own actions. That is one reason why he is paid more. The other reason is, the results of his work are so TANGIBLE. He can be paid on results, and he IS. The more he can make in commissions, in addition to salary the better his firm like it.

Mr. WALLACE ATTWOOD
F.R.E.S., M.I.P.E., &c.
Britain's greatest Trainer of Salesmen.

If you have backbone and grit, Wallace Attwood can train you by post to be a successful Salesman. Appearance, manner, education, business experience matter little. But you must have "guts." After training, he undertakes to introduce you to progressive firms with vacancies for Travelling Salesmen. His training includes showing you how to sell your services at the highest figure. And further, he watches over you during your first three weeks "on the road," so as to ensure you not only get a good post, but also KEEP IT.

Don't wait for Promotion—

PROMOTE YOURSELF!

Many Attwood-trained men are now earning their £500, £600, £800 and £1 000 a year. Lift yourself into that class with Wallace Attwood's help. Send coupon below (or postcard) for full particulars—without any obligation.

WE UNDERTAKE TO

1. Give you the most complete and thorough training in Salesmanship available including Practical Demonstration Instruction.
2. Train you to sell your own services (a unique feature of the MASTER COURSE).
3. Introduce you to firms of repute requiring Salesmen (**NOT** shop assistants).
4. Assist you during your first three weeks "on the road" by special instruction and personal advice (another unique feature of the MASTER COURSE).

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'Phone: Chancery 7526.

FILL IN and POST TO-DAY

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Please send me, free of charge, your 24-page illustrated book "The Profession of Salesmanship."

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ADDRESS .....
Please write in pencil. .....

B.O.M. .....

Keeping Up your Sales.

By CULVER BUDD.

"INCREASING YOUR SALES" was dealt with by the Author in the January issue. Having increased them, to maintain them is vital. This is a bright contribution to an ever-present and important problem.—EDITOR.

IT is one thing to increase your sales but quite another to keep them up, when once they have reached a certain level.

It is an obvious commonplace that a business must always follow an upward tendency, and one of the greatest difficulties to-day, after output has reached the curve desired, is to maintain it. First of all because it provides the right percentage of profits, secondly it keeps a requisite number of men always fully employed thus ensuring continuity of output, and thirdly it is the only means towards a substantial balance for future development. Many old businesses found out how necessary it was in the early post-war years, not only to get new customers, but to keep old ones, and some unfortunately petered out because they played the ostrich.

THE "WILD OATS" OF CONSERVATISM.

Old friends are apt to be conservative: they have invariably grown up with us, have experienced similar difficulties, and are naturally easier to please. Unfortunately, it has become almost an obsession with some people to break new ground at the expense of the old. All that has been accomplished, however, has been a sowing of wild oats, and a crop of liquidations. Firms have increased their sales, and their liabilities, but *not* their assets. Bad debts are only paid out of profits and out of nothing else.

THE "SOUL-LESS CASHIER."

The financial side of a business is seldom considered by salesmen and they can hardly be blamed. In any case their primary object is to get orders, not to collect accounts, for the simple reason it is not wise to combine both. You cannot ask a man for a cheque and further business in the same breath: he is apt to somewhat resent it. A buyer is rarely concerned with money matters, he is fully occupied seeking the best market; and it detracts from a salesman's value to see the cashier first and the buyer afterwards. He loses driving force, and approaches the latter obviously at a discount. Unless however your incoming accounts keep at a high level, increased sales fulfil no good purpose but rather the reverse.

A method sometimes adopted by wide-awake firms is to leave the question of finance entirely to the department concerned. Cashiers with little knowledge of outside work, and the difficulty of getting the "buying side" of a man have no compunction in asking for money. They are quite soulless in regard to payment which is just as it should be. After all, it is to them one looks at the end of the financial year. If they neglect to keep slow and bad payers right up to the standard, mere orders are so much waste paper.

Salesmanship and the internal organisation of business must go hand in hand if any sort of progress is to be made, and under good collaboration new accounts become old ones.

KEEPING CUSTOMERS.

Many things contribute to the keeping of customers besides the mere quality of the article, although obviously that has a great deal to do with it. They have to be constantly worried. There is a lot of truth in the fact that out of sight means you are quickly forgotten. Of course one is bound to lose customers, it is losing the best that matters, and they are always the hardest to keep. Judicious advertising is a great aid in this direction. There are commodities used by every housewife, whose pictorial appeal from the hoardings gives life and zest to the dullest thoroughfares. The beauty of some advertisements, and the humour of others, compels us to purchase the article shown.

It is further a wonderful fillip to the outside man, and is undoubtedly one of the greatest aids to keeping up sales there is. Yet it is by no means uncommon to find firms who never use so valuable a medium. They will argue that, rather than spend £500 a year on advertisements, they would sooner employ an extra man, and then complain because he does not cover the earth. They contend that what they want is the personal touch, and that a salesman gives it, and a picture does not. Of course a picture will not, but it will get where no man can ever hope to reach.

lack of uniformity in these laws often has serious consequences for those who lend money on ships or who have claims against ships on account of services rendered or damage done. The Conference therefore commended these Conventions, aiming at unification in maritime law, to the consideration of the Governments of the various parts of the Empire.

The Conference also commended for consideration, subject to a satisfactory settlement of points still outstanding, the draft International Convention *relating to immunity of State-owned vessels* drawn up at Brussels in April 1926, in general giving effect on suitable lines to the proposal of the Imperial Economic Conference of 1923 that, subject to such limitations or safeguards as were necessary from the point of view of defence, claimants against State-owned vessels should secure the hearing of their claims before Courts of Law as a matter of right.

On the subject of *oil pollution of navigable waters*, the International Conference held at Washington in June 1926 recommended that areas should be prescribed on the coasts of maritime countries and on recognised fishing grounds within which oil or oily mixtures should not be discharged. The Conference recommended the principles of the draft Convention prepared for this purpose to the consideration of the Governments of the Empire.

TAXATION

The Imperial Economic Conference of 1923 passed a Resolution on the subject of the *immunity of State enterprises from taxation*. In the Finance Act of 1925 the British Government gave legislative effect to this resolution by providing that the Government of any part of the Empire outside Great Britain and Northern Ireland shall be liable to taxation in the latter country in respect of trade operations and of property and income arising in connection therewith: the immunity of any such Government from taxation in respect of any income or property which does not arise or is not held in a trading capacity, was reaffirmed.

A review by the Conference of steps taken in various parts of the Empire to give effect to the Resolution of the Imperial Economic Committee showed that there was a sufficient measure of agreement within the Empire to warrant the opening of negotiations with the Governments of foreign countries with a view to the conclusion of reciprocal agreements for the mutual taxation of Government trading enterprises

The General Economic Sub-Committee also considered the question of the *taxation of non-resident traders*. It was pointed out that, when a manufacturer or producer resident in one part of the Empire sells his goods through an agent or branch in another part, he is subject to taxation in both countries. His burden is eased by arrangements already made between many parts of the Empire for relief in respect of double taxation; but as between the Government of Great Britain and the Governments of other parts of the Empire, the cost of relief falls either wholly or mainly upon Great Britain.

The suggestion was therefore made that the charge to income tax in the country of sale might with advantage be restricted to activities to "merchanting" profit, *i.e.*, profit arising from activities exercised in the country of sale, as distinct from the "manufacturing" or "producing" profit arising from activities exercised at home This principle has already been adopted in Great Britain and Northern Ireland under the Income Tax Act 1918. There was general though not complete agreement that such a division is desirable.

THE VALUE OF THE RESOLUTIONS TO EMPIRE TRADE.

The present value of the resolutions passed by the Conference on economic affairs lies in the clear expression by the representatives of the Empire of their recognition of the need for the closest co-operation in Empire affairs. The future value depends upon the legislative recognition given by the Governments of the Empire to the subjects of the resolutions.

The first signs of such future legislative and co-operative action were the intimation of the Prime Minister of Canada that he and his colleagues were contemplating further steps with a view to improving the export trade of Canada with Great Britain; the announcement of the Prime Minister of Newfoundland that it was the intention of his Government favourably to consider the propriety and feasibility of introducing Empire preference in the forthcoming revision of the Customs tariff; and the attention drawn by the Prime Ministers of Australia and New Zealand to the possibility of largely increasing, with the aid of customs preferences, the sales of British motor cars within the Empire, and their readiness to give necessary information to the leading motor-car manufacturers of the country.

The excellent receptions given in the Dominions to the decisions of the Conference encourage the hope that measures introduced by individual Governments to implement these resolutions will be passed into law. This is for the future to decide; but one matter of supreme importance—that of goodwill—has already been decided, and cannot fail to react favourably on the future trade of Great Britain with the oversea areas of the British Empire.

Learning Now—

AT your convenience, in your spare time, when and where you will, you can study and train for the qualifications which give you the right of entrée to the pick of the posts that the Business World can offer. Thousands such as yourself have done so already, have developed undreamt-of abilities, have risen beyond their wildest hopes. From the first day's work you need never look back, for your powers and efficiency begin to expand at once, and as you grow in capability you grow in market value.

Throughout the country, throughout the World, to-day ex-students of the Metropolitan College are holding posts of the utmost responsibility. And why? Because the College has enabled t em to obtain Hall Marks of that expert knowledge which alone gives the power and the right to command.

SPECIALISED *POSTAL* TRAINING, TAKEN AT HOME, IN SPARE TIME,

for all the recognised Professional Accountancy, Secretarial, Banking and Insurance Examinations, for Professional Preliminary Examinations, for the examinations of the Law Society, and for London Matriculation and the B. Com. (Lond.) Degree.

Also many practical (non-examination) courses in Book keeping, Accountancy and Secretarial Subjects, Cost Accountancy and Factory Management, Office Management, Company Law, Economics, Auditing, Shorthand, French, German, Spanish, Advertising, Salesmanship, etc.

Means Earning Later!

Take to-day—NOW—the first step towards promotion. Delay is sheer waste of time—and your time is going to be worth big money. Fill up the attached coupon and post it to the Metropolitan College, St. Albans. The College

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comes to you by return absolutely FREE and without any obligation whatsoever on your part. Yet it is veritably the signpost to Success. From cover to cover its 124 pages are packed with information vital and interesting, concerning all the paths to Success in Secretaryship, Accountancy, Banking, Insurance and Commerce. All is there, clearly, lucidly, and convincingly set out. On any one of its pages you may find the clue to the problem of your ambitions and your future.

Throw off your shackles. Give play to your faculties and rein to your ambitions. The first step to the glorious freedom of being a "key" man takes but a moment and costs you nothing. Fill up the coupon—NOW.

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NAME .....
(in Capitals)

ADDRESS .....

Business Org. and Man., March, 1927.

.....

METROPOLITAN COLLEGE,
Dept. 122, ST. ALBANS.

prompt statistics regarding the production, stocks and consumption of wool throughout the world : also for international statistics of the quantities of foodstuffs held in cold storage. It therefore recommended that suitable steps should be taken to secure the co-operation of foreign countries in obtaining the compilation and prompt publication of such statistics.

The views of the General Economic Sub-Committee on rendering the *Statistics of Trade, Production, etc., of the different parts of the Empire*, published by H.M. Government in Great Britain, as valuable as possible with reference to the development of inter-Imperial trade, were endorsed by the Conference. The Sub-Committee suggested that the effective method of approaching this end would be gradually to modify and expand future issues of the *Statistical Abstract for the British Overseas Dominions and Protectorates*, as experience may indicate and as figures can be supplied for comparable use.

VALUABLE TRADE SURVEYS.

The Sub-Committee also felt that further Surveys of Empire Trade would be advantageous in informing the public, and particularly Empire producers, of opportunities open in Empire markets. It recognised that a large amount of information was available in the statistical returns issued by the various governmental departments throughout the Empire, and appreciated the difficulty of abstracting from a number of publications the detailed information required in respect of a particular industry or a particular commodity.

It recommended, therefore, that each survey should deal with one trade or with a group of closely-allied trades in as concise a form as may prove practicable in each case. Those trades should be selected for early consideration in which it seemed likely that a fuller knowledge of the facts would lead to the greatest stimulation of Empire trade. So far as possible, each survey should include the main facts regarding production and consumption in the Empire and in foreign countries, the most important import and export figures, a statement of the competitive situation, and the progress made within the Empire in production and export as compared with the progress made in foreign countries.

With regard to Empire marketing, the Conference decided :

"that the Imperial Economic Committee should continue on its present *ad hoc* basis :—

(a) To complete the series of investigations into the marketing of Empire foodstuffs in Great Britain ;

(b) To put forward for the consideration of the various governments concerned a list of raw materials for possible further marketing inquiries, and suggestions for the preparation and circulation of brief preliminary surveys of any branch of Empire trade and marketing.

INDUSTRIAL STANDARDISATION.

During the general discussion by the Conference of economic affairs, attention was drawn to the advantages that might accrue to Empire trade from an extension in regard to industrial products of standardisation, using the term both in its strict sense and in the sense of "simplification." As a result of detailed examination of the matter it appeared that great saving had already been effected in various Empire countries from the standardising of various products, such as iron and steel sections, railway engines, etc.

The Conference, recognising the great advantages of standardisation, recommended that the several Governments should take steps to promote the further development of standardisation, should arrange for the exchange of information with other parts of the Empire, and, wherever possible, should adopt common standards. It was appreciated that the advantages of standardisation are augmented when it is practicable to adopt common standards, and that great benefit should thereby result to trade within the Empire.

MARITIME CONVENTIONS.

Under the Carriage of Goods by Sea Act of 1924, the *Bills of Lading Convention*, as finally adopted by an international conference at Brussels in 1923, was put into operation in Great Britain : other Empire areas have also adopted similar rules regarding bills of lading. The Conference considered that international uniformity would greatly facilitate overseas trade by removing an element of doubt from the minds of shippers and shipowners concerning their liability under a contract of carriage, and that the adoption of the Convention in all parts of the Empire, in addition to being of advantage to Empire trade, would assist in securing such international uniformity.

The General Economic Sub-Committee considered the *Limitation of Shipowners' Liability Convention*, adopted at Brussels in 1922 and 1923, the object of which is to secure international uniformity in this branch of maritime law so that all parties interested in a ship, her cargo and passengers, may have reasonable assurance as to the extent of their rights and liabilities no matter where the ship may be.

It also considered the International Convention adopted at Brussels in April 1926, aiming at *the unification of the laws in different countries with regard to maritime mortgages and liens*. The

The Imperial Conference.

Its Economic Resolutions and their Effects.

By W. H. WILLSON, B.Sc.(Econ.)Lond.

The Spirit of Empire finds an inevitable corollary in its economic relations. What will be the effect of the Imperial Conference upon the Trade of the Empire and the commercial relations of its component parts with other Nations of the World?

THE resolutions adopted by the Imperial Conference are of vital importance to the Empire as a whole and to Great Britain in particular. Even at this early stage it can safely be asserted that the Conference has done more to assist the political stability and economic progress of the British Empire than has any similar gathering since the first meeting in London in 1887 of representatives of the self-governing colonies.

From the economic point of view, the greatest possible importance should be attached to the constitutional resolutions passed. The Empire as a whole, and also as a group of individual units, must march with changing national and social ideas. Each Empire unit is mainly concerned with its own national and economic progress. But as the progress of each is indivisibly linked up with that of other Empire units, the closest agreement and co-operation are essential factors.

GREAT BRITAIN'S VITAL INTEREST.

The work of the Conference must therefore be studied with the most minute care by all business men, for upon the results of that work depends the immediate, and perhaps more distant, future of the Empire, particularly of the United Kingdom. The good feeling engendered by the agreement on constitutional issues should result in increased co-operative effort in the economic sphere on the part of the various nations of the Empire. The future of inter-Empire trade depends upon the cordial relationships established between the Mother Country and the Dominions —and to no part of the Empire is this relationship more vital than to Great Britain.

At the meetings of the Conference a strong desire was shown by the representatives of every Government concerned to forward by all means in their power the development of Empire trade. It was emphasised that this development must mainly depend upon the collective and individual activities of manufacturers, merchants and consumers: but it was profoundly appreciated that the course of trade could be greatly facilitated by the efforts of the individual Governments.

The reports of particular interest to the business man are those dealing with economic matters. Of these the most important are the reports on scientific and economic research, industrial standardisation, maritime conventions, and taxation.

SCIENTIFIC RESEARCH.

It was suggested that at special expert conferences which may be called from time to time, the question should be considered whether there is need for establishing further scientific bureaux on the lines of the Imperial Bureaux of Entomology and Mycology: and also organisations based on a particular practical art. The latter would communicate scientific and technical information to those concerned anywhere throughout the Empire with the particular art—whether agriculture, forestry, medicine, horticulture, mining, or manufacturing industry.

The proposal for an Imperial Agricultural Research Sub-Conference in London in 1927 was approved, and, in accordance with the recommendations of the Sub-Committee, the Conference adopted resolutions:

(a) Recording its appreciation of the valuable work of the Imperial Bureaux of Entomology and Mycology;

(b) Noting the success attending the activities of the Empire Cotton Growing Corporation and commending to the favourable notice of the respective Governments the steps which the Corporation is taking to promote cotton-growing within the Empire;

(c) Noting with satisfaction the attention given by the Empire Marketing Board, in addition to its other activities, to the encouragement of scientific research into the problems of Empire agriculture; and

(d) Expressing its satisfaction at the progress made by the Imperial Institute since its re-organisation in accordance with the recommendations of the 1923 Imperial Economic Conference.

EMPIRE STATISTICS AND TRADE SURVEYS.

The Conference was impressed by the need for more complete, more uniform and more

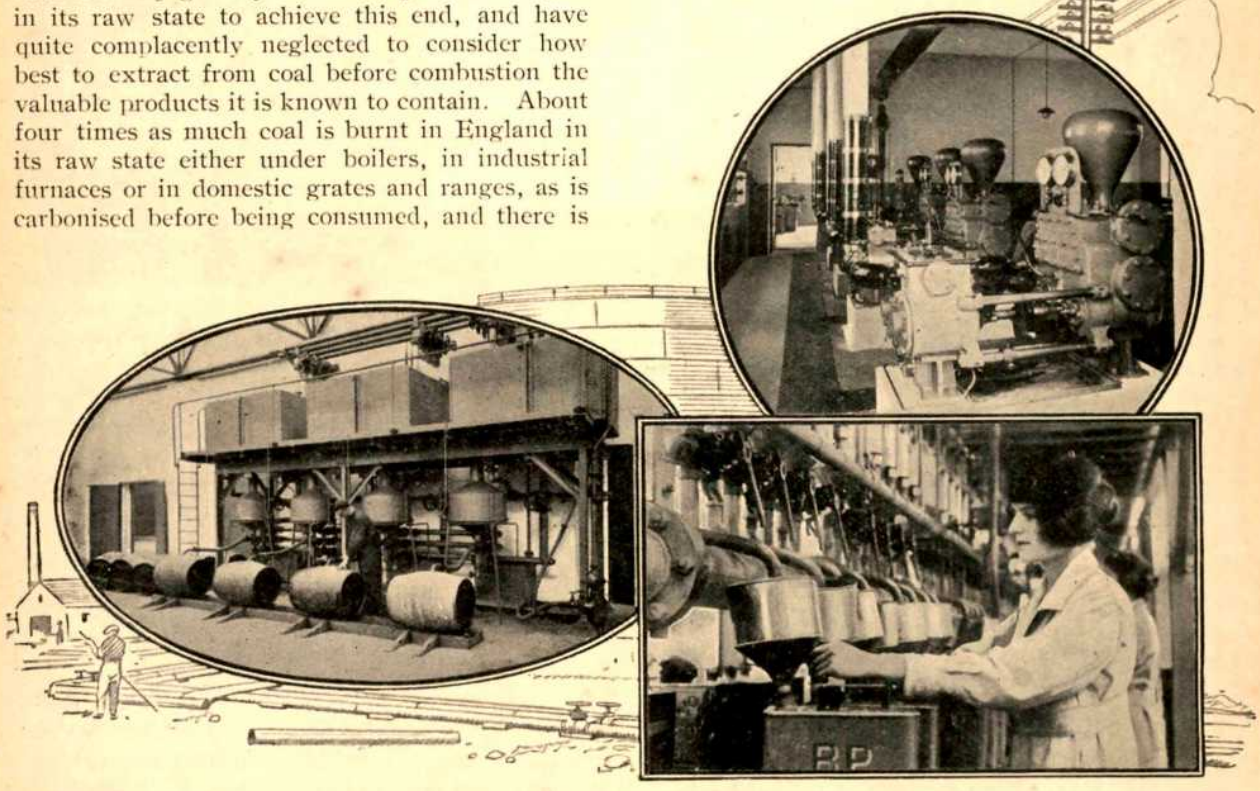
As far as scientific methods of winning petroleum are concerned, the oil industry is comparatively far ahead of coal. The cracking process has greatly increased the percentage of light products obtainable from a given quantity of crude oil and further development of this process can be looked for if the internal combustion engine continues to develop along the same lines as hitherto. New methods of production from present territories are also being operated with success.

MORE SCIENTIFIC USE OF COAL ESSENTIAL.

The growth of the oil industry can therefore serve, not only as a warning to the coal industry, but perhaps as an encouragement. The only salvation of the coal industry lies in the studied application of up-to-date methods of production, and scientific and economic use of the product when it has been won. A tremendous amount of work has yet to be done along these lines. "The problem of the utilisation of coal," says the Coal Report, "is how best to convey the energy embodied in it to the spot where it is needed and in the form which it can be most effectively employed." Up to the present we have scarcely got beyond the stage of burning it in its raw state to achieve this end, and have quite complacently neglected to consider how best to extract from coal before combustion the valuable products it is known to contain. About four times as much coal is burnt in England in its raw state either under boilers, in industrial furnaces or in domestic grates and ranges, as is carbonised before being consumed, and there is no question that the great proportion of the quantity thus used is consumed in a very wasteful manner. Some 2½ million tons of potential fuel in the form of soot escapes annually into the atmosphere from domestic fireplaces alone, a quantity equal in weight to nearly three days output of all the collieries in Great Britain. The complicated question of low temperature carbonisation of coal has by no means been fully investigated and there is great promise of the ultimate commercial potentialities of this treatment of coal.

THE FUTURE.

With a new spirit for development and reform in production methods in the coal fields, the great natural resource of our country may yet maintain its position as a source of supply for the World's demand for energy and it is to be hoped that the future will see oil and coal, not as protagonists, but each essential in its own sphere as an abundant source of necessary power.



Automatic Fillers in operation filling 50-gallon drums and two-gallon cans with motor spirit.

(1) MEXICO. Recent developments in Mexico in spite of political disruptions indicate large potential oil territories capable of producing supplies for several years to come.

(2) RUSSIA is developing new and promising oil regions which together with territories at present producing, should provide supplies for a considerable period.

(3) PERSIA has witnessed an expansion almost unparalleled in the history of the oil industry. In 1919 approximately 950,000 barrels were produced; the present day output exceeds 35,000,000 barrels per annum and the potential annual production is 70,000,000 barrels. To this promising oil territory has now been added Mesopotamia, where successful exploitation has already been experienced.

(4) ROUMANIA, POLAND, TRINIDAD, ARGENTINE and PERU possess oilfields inadequately explored with much latent wealth in oil.

(5) VENEZUELA is steadily increasing production and it is expected during the next ten years will work up to 10,000,000 barrels per annum.

(6) CANADA is regarded as a country of great possibilities of latent wealth in oil as a result of recent exploratory work.

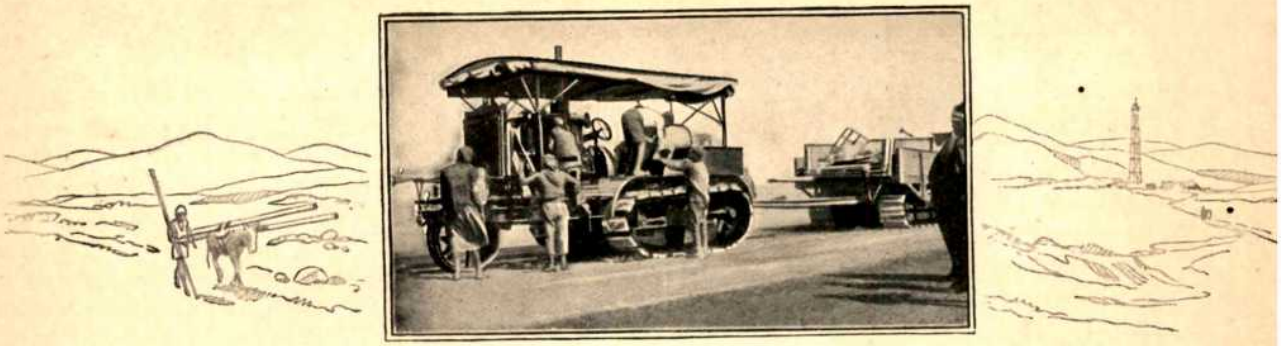
(7) The UNITED STATES position has been outlined above.

(8) DUTCH EAST INDIES & SARAWAK have within their respective political boundaries large tracts of petroliferous areas which remain to be explored and exploited.

(9) INDIA (including BURMAH) and EGYPT, though valuable Imperial contributors to oil supplies at present, have, it would seem, a future of no outstanding promise in this respect.

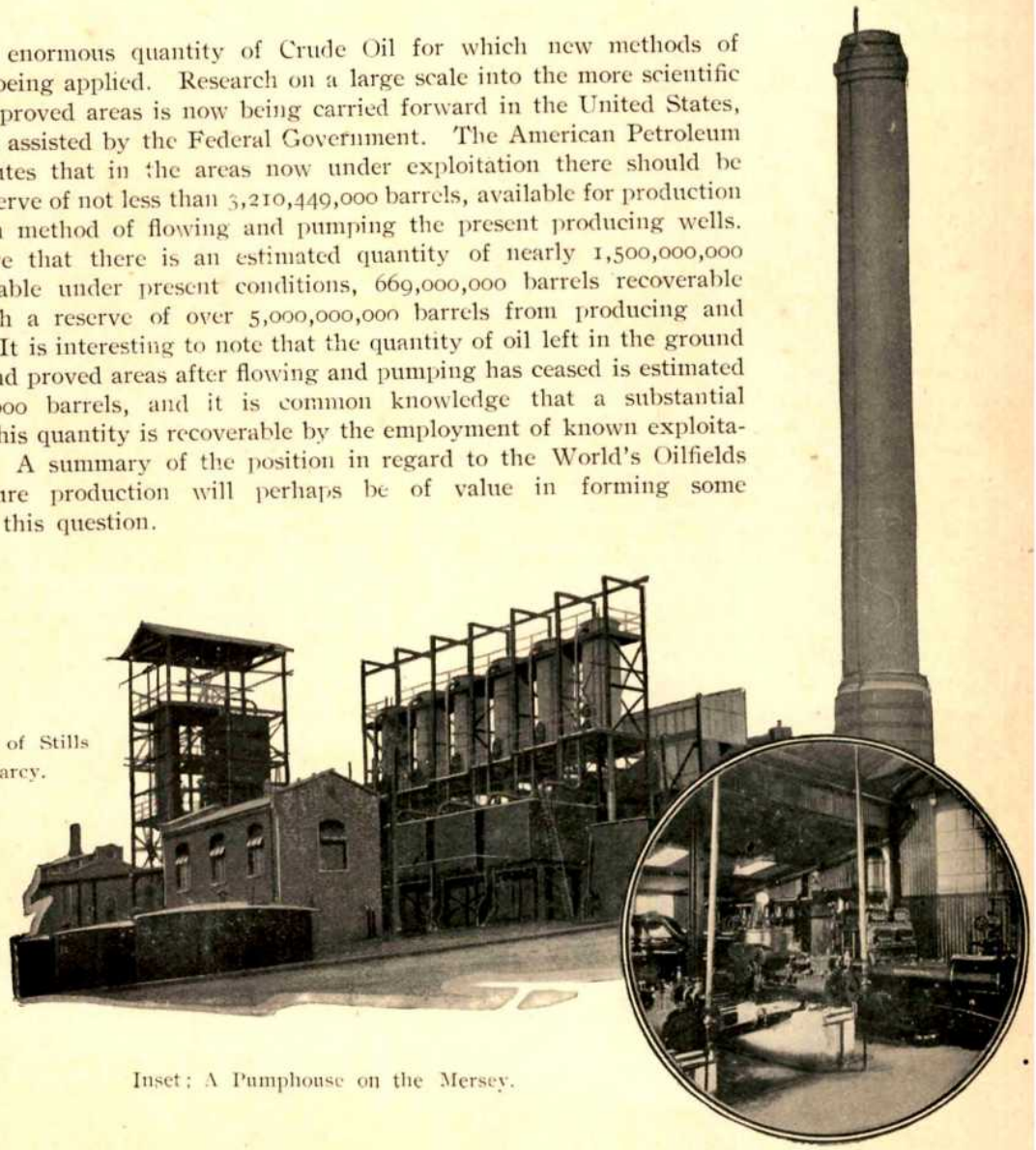
The New Spirit Refinery at Llandarcy.

It may, therefore, fairly be assumed that there is no reason for pessimism, but the sensation that has been caused by alarmist reports will not have done any harm if it leads to a more scientific exploitation of oil resources. The demand for sources of energy, once world trade has recovered, will doubtless be enormous and those who have appreciated this fact have kept abreast of progress in research concerning even alternative fuels to oil. Up to the present little success has been met with in this direction. For example, the production of alcohol could be carried out on a large scale by fermentation processes, but although a substitute for petrol would thus be provided, yet commercially it could not offer serious competition owing to the fact that the production is rendered costly since no valuable by-products (as in the case of petroleum) are obtained in the process.



One of a Fleet of Caterpillar-Tractors.

the ground an enormous quantity of Crude Oil for which new methods of production are being applied. Research on a large scale into the more scientific exploitation of proved areas is now being carried forward in the United States, encouraged and assisted by the Federal Government. The American Petroleum Institute computes that in the areas now under exploitation there should be found an oil reserve of not less than 3,210,449,000 barrels, available for production by the common method of flowing and pumping the present producing wells. Over and above that there is an estimated quantity of nearly 1,500,000,000 barrels recoverable under present conditions, 669,000,000 barrels recoverable at a price, with a reserve of over 5,000,000,000 barrels from producing and proved areas. It is interesting to note that the quantity of oil left in the ground in producing and proved areas after flowing and pumping has ceased is estimated at 26,000,000,000 barrels, and it is common knowledge that a substantial percentage of this quantity is recoverable by the employment of known exploitation processes. A summary of the position in regard to the World's Oilfields respecting future production will perhaps be of value in forming some conclusions on this question.



A "Bench" of Stills at Llandarcy.

Inset: A Pumphouse on the Mersey.

Oil and Coal Fuel. The Future.—II.

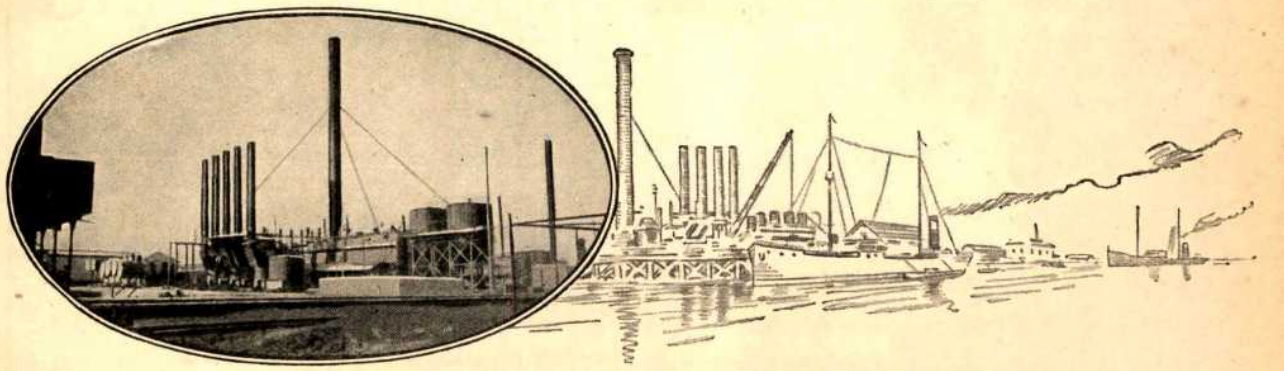
It is often loosely remarked that "coal has had its day," the implication being that oil will supplant it. Nothing in this article must be taken as supporting that view. The writer, who is intimately associated with oil production, knows the facts of the case too well to lend countenance to the idea. Rather is there a field in which each is destined to be the natural complement of the other.—EDITOR.

(Blocks by courtesy of the Anglo-Persian Oil Co., Ltd.)

THE idea that organised coal and transport labour could hold up the community has been completely disproved by the realisation that petrol had become so important a factor in daily life. The collapse of the General Strike, however, did not terminate the Coal Stoppage and it is now possible to take stock of the situation and observe the effect of the Coal Strike on the industries of the country generally. That the heavy industries were, to a great extent, paralysed by the lack of essential coal is fairly obvious, but the effect of the stoppage on the vital services of the country was almost incredibly little. Not only did railways, gas and electric works and other public services dependent on coal or its equivalent in some other form of fuel carry on in a way not materially different from normal, but many other industries were able to maintain a large number of their normal activities. The shipping industry was able to carry on by bunkering in Continental ports and more largely by the use of oil fuel, while it is evident from reports received from the industrial centres of the country that practically all the large works were at least partially occupied, kept going by outcrop and foreign coal, electricity and power derived from oil fuel. Official returns show that the steel producing trades were doing a substantial amount of business even for export. The surprising success of industry in carrying on without normal coal supplies points most significantly to one conclusion—that coal is now a far less vital factor in the fuel provision of the community than it was a few years ago.

THE BALANCE OF FORCES.

It has been seen that the substitution of coal for the production of power by alternative sources of energy has already proceeded to a not inconsiderable extent and the question arises as to whether this tendency has come to stay. The facts that have been indicated above are significant, but we repeat that it would be unwise to prophesy. Undoubtedly much depends on the general question now more prominent than ever as to whether the petroleum resources of the World are sufficient to meet for some considerable time what may be an ever-increasing demand. Recently some sensation was caused by the publication in the Press of the findings of the United States Federal Oil Conservation Board which, in brief, reported that there is only six years' proved supply of Crude Oil in America for both military and industrial purposes. Nevertheless, oil men are inclined to consider this an unwarrantable pessimistic view to take. The American Petroleum Institute, twelve months ago, reported that there was no imminent danger of the exhaustion of petroleum reserves, for after wells have ceased to be pumped there remains in



A Group of Stills at Abadan.

self. Secondly, the raising of the height of the seat by adding cushions or books brings the back of the chair into the wrong position. If the back is shaped, the shape no longer conforms to and supports the operator's back, and in any event the support ends much lower down the back than is intended in a chair. The result of this is that the operator quickly tires and both the speed and the quality of her work suffer.

IMPRESSING THE CUSTOMER.

In addition to these disadvantages there is the appearance of the thing to be considered. In many offices the entrance is in view of the general office or typists' room and visitors have frequent opportunities of inspecting the rooms. What can be the effect upon the mind of a customer, or prospective customer, of chairs piled up with books and papers to make them high enough? What the effect of shabby tables and chairs, parts tied up with string, books replacing missing castors, and many worse make-shifts? These things can do more to convey an impression of poverty, non-success, and general slackness than all the recommendations and advertising can hope to combat and overcome. And they are always unnecessary. The expense of keeping the offices properly equipped need never be large, and it will never fail to bring adequate return through the increased efficiency and willingness of the staff.

Why Does One Fail?

Why *does* one fail?

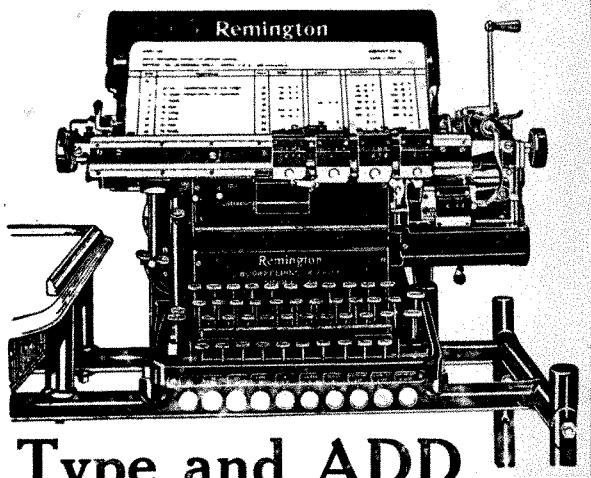
Staticians have made research, and a table of the causes of failure is given below:—

Incapacity	34.4 %
Lack of capital	33.3 %
Lack of experience	4.7 %
Imprudent credit	1.1 %
Fraudulent operations	3.8 %
Failure of other firms	1.5 %
Extravagance	1.6 %
Negligence	1.3 %
Competition	1.9 %
Special conditions	15.9 %
Speculation	0.5 %
Total ...	100.0 %

Valuable statistics, because they show with the eloquence of figures that in most cases incompetence is the great fault.

With acknowledgments to "*Reussir*" our French contemporary.

EFFICIENCY FIRST!



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and finally
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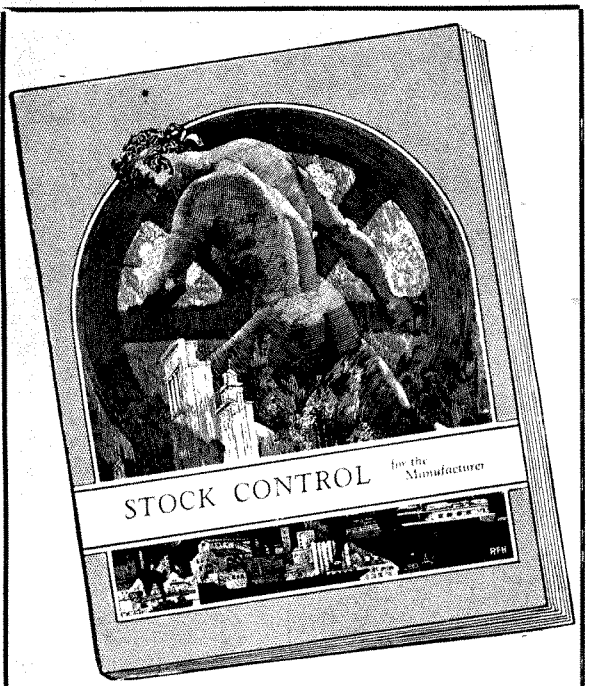

If your Stock Audit

has revealed the need for more rigorous stores control; if current stress has shown up the inherent shortcomings of some old-style method of stock-books or cards; *if you would release long- ormant capital and set it earning, re is a Book you should read vith close attention.*

The edition is limited . . . . you will want to get your copy now . . . just drop a line to-day and we will send by return.

KARDEX

3, HOLBORN VIADUC E.C.1.

Free! *It points he way to someth g better. And it is REE.*

fortable or unsuitable, and at a desk or table of a type that he finds unpleasant. Some men like to have the old-fashioned roll top desk, for instance, finding that the pigeon holes help them to keep their work orderly. Others again prefer the flat topped desk and find the high back of the roll top oppressive. I speak from experience when I say that to put a man to work at the wrong type of desk is the quickest way to hamper him. There are undoubtedly plenty of employes to whom the furniture and general surroundings of the office are matters of no importance, but it has been found in offices where attention is given to such matters that the staff work better and more willingly when they have pleasant surroundings, and when they are allowed, as far as is reasonably possible, to work at furniture of a type that appeals to them.

WASTE OF CREATIVE POWER.

There is also to be considered the man or woman whose mentality and duties are such that considerable imaginative and creative power are needed, as for example those who design and write the firm's advertising, those whose work involves the giving of some kind of service to the firm's customers, and so on. To compel employes of this type to work in surroundings that are not congenial to them is to waste a considerable portion of the salary that is paid to them. The general style that should be aimed at in an office is that of plain, square, furniture. As little decoration as possible should be used, as it possesses no advantage and merely makes work for the cleaners. The modern type of office desk with plain square legs and square edged top, without mouldings of any kind, is ideal.

THE TYPIST.

The type of chair used will vary with different persons. Typists should be equipped with chairs that give proper support to the back, and their chairs and typewriting tables should be of the kind that are specially made for the purpose. Probably one of the most frequent mistakes made in office furnishing to-day is that of supposing that a typist can operate his or her machine on a table of ordinary height from a chair of ordinary height. Typewriting tables must be considerably lower than ordinary tables. If too high a table is used the operator has to make the chair correspondingly higher by the addition of books, packets of paper or anything else that can be found. The result is bad both for her and for the firm, and that for several reasons.

A CATALOGUE OF EVILS.

In the first place the increase in the height of the chair invariably brings the operator's feet off the ground, a most uncomfortable position in which to work, as anybody may prove for him-

Furnishing the Business Offices.

By NORMAN HUNTER.

No. 3.—Furniture Styles and Other Equipment.

What is the whole function of furniture?
Utility, decoration, efficiency, or comfort?
Do they singly or collectively contribute to a satisfactory Balance Sheet?

ALL furniture, whether it is for a private dwelling or for a business office, has two distinct functions to perform. It has to be of use for some particular work or for adding comfort, and it has to be a part of the decorative plan. Pieces which do not perform both these functions should find no place in the scheme of things. It is probable, of course, that many items will have more of the useful than the decorative in their work; while others will be chiefly ornamental. But both objects must be served. Furniture that is merely decorative is out of the question in an office, and invariably futile in a private house. That which is useful but ugly abounds all too freely in places of business, and this too does not justify either its cost or the space it occupies.

UTILITY FIRST.

Office furniture will of necessity be useful first and decorative only to the extent which utility allows or which is desirable under the particular circumstances. But the appearance of office furniture must not be disregarded, for as has been pointed out in previous articles, offices where the furniture and decoration produce discord instead of harmony, distract instead of helping concentration, are not, and never will be, efficient. The appearance, therefore, of the furniture cannot but affect its usefulness.

COMPARATIVE TIMBER VALUES.

To take first the colour of the furniture before proceeding to details of construction, dark oak springs first to the mind as the best all round colour for office use. With a dark oak furniture scheme economy can be practised wherever necessity compels or reason dictates. Whitewood, stained and polished dark oak colour, is practically indistinguishable from real oak as far as appearance goes, so that when cost must be kept down to minimum much of the equipment may be made of the cheaper wood. Mahogany and walnut are handsome, but they have the disadvantage of costing more than oak and the added handicap that their more highly polished surfaces are easily damaged. Mahogany and walnut too, cannot be imitated successfully in cheaper wood, so that if mahogany furniture is desired in, say, the Board Room, other rooms of lesser importance should be carried out in oak, or oak colour.

RESTFUL CONTRASTS.

Dark, subdued colours are essential in office furniture; another point in favour of oak. The red in mahogany, especially when combined as it so often is, with green leather, is altogether too insistent for mental concentration, while walnut, if figured, is too fanciful for business and if plainly grained has no particular advantage in appearance over the less costly and more hardy oak.

Ash, light oak, and other light coloured woods or light finishes should be avoided owing to the glare they produce, lightness being confined to the walls while the dark furniture forms a pleasing and restful contrast.

UNIFORMITY.

In those offices where a considerable amount of furniture is already in use, endeavours should be made to fit the existing pieces into the revised scheme. In doing this the chief care should be to avoid mixing the colours. If for example there is oak and mahogany coloured furniture, let all the oak go to one room or rooms and all the mahogany to others. If some of the furniture is of whitewood, stained in imitation of mahogany, it should be stripped and recoloured to match the oak.

PREFERENCE AND EFFICIENCY.

The particular style of furniture chosen will depend mainly upon the use to which it is to be put, and in lesser degree to the furniture already in use, if any, and the personal taste of the person who is to use it. There is more importance in the latter point than is generally attached to it. Many an employee fails to give of his best because he has to work in a chair that is uncom-

which case an increase in price might solve the problem.

The lines in groups E and F were produced in accordance with the village grocer's policy of " fetching " goods called for by customers.

There might be some excuse for retaining the lines in group E, since they brought " grist to the mill " but the lines in group F should be abandoned if the selling prices could not be raised.

When lines that can be bought elsewhere are sold by a manufacturer at a loss he cannot excuse himself by saying that he is " obliging his customers." He is merely acting like a dog in the manger, since he cannot profitably deal in the lines himself and he is preventing someone else from doing so.

There are people who specialise in " throwing sprats to catch mackerel " but I myself will have nothing to do with a transaction that does not show some form of profit.

COMPETITIVE PRODUCTION.

The lines in groups G, H and I were produced in accordance with the common, but short-sighted, policy of meeting competition. The lines in group G might be above criticism since they were profitable and equal to the competitor's lines, but their production was a divergence from the more sound principle of distinctive service.

The lines in group H once again evidenced the " dog in the manger " policy, while those in group I were doing the manufacturer a considerable amount of harm. These spurious imitations endangered his reputation because his whole range of products was liable to be condemned as inferior by a customer who judged him by one of these lines.

A manufacturer must never forget that he is likely to be judged by any one of his lines. This alone is sufficient excuse for abandoning a side line that has no particular merit, even if it is profitable.

It is interesting to note that the manufacturer whose lines are classified above gave more or less equal prominence to each line in his catalogue, but concentrated his press advertising upon lines in groups D, G and H.

The advertising of the new D lines was commendable but that of the competitive G and H lines was sheer waste—the manufacturer was merely countering his competitor's advertisements.

I found that the salesmen—wise men—were pushing the leading lines A, but that their manager was pressing them to push the waning favourites C and the unsuccessful F, H and I lines in order to clear his stocks.

This policy of pushing unsuccessful lines is an exceedingly dangerous one, because it prompts customers to test the lines and new customers will judge the manufacturer by his failures.

It is far better to sell the surplus stocks in bulk to a dealer who will re-sell them under his own name, even if this means selling at a very low price.

PUSH SUCCESSFUL LINES.

A trader should always concentrate his attention upon his leading lines and his new lines, giving them prominence in his catalogues, featuring them in his press and poster advertising and encouraging his salesmen to push them. Nothing succeeds like success.

In conclusion I want to point out that the manufacturer whose policies I have criticised was the proprietor of an old established and successful business, although, like so many other traders, he had checked his own progress by indulging in a commercial war with a rival firm. The summary of his trading lines will compare very favourably with that of the average manufacturer.

The two great faults commonly met with are the desire to have as many trading lines as possible, regardless of their commercial value, and the spiteful competitive spirit.

If traders with a large range of lines will go through their catalogues and classify the lines in accordance with the suggestions made in this article, I think they will find the results interesting, valuable, and in some cases, startling.

The Very Thing You Want

—a booklet to show you, at a glance, the screen of Half-tone blocks for printing on different grades of paper.

¶ This screen booklet has been planned as a ready reference for all purchasers of printers' blocks. To consult it before blocks and paper are ordered is to ensure the best chance of good results in every piece of printing—especially Half-tone printing.

¶ Readers of this magazine may have a copy of the screen booklet FREE, on application to " B.O." Mailing Dept. at the address below.

THE NICKELOID ELECTROTYPE CO., LTD., 10, NEW ST. HILL, LONDON, E.C.4.

then adopt a general name to cover all his products and use this as a prefix to his brand names.

TRADING NAMES.

The trader's own name is far and away the best one for this prefix, a sit gives prospective distributors the clue to the supplier and will usually be simpler and more easily remembered than a fanciful made up name. There is the further point that a trader's name on an article inspires more confidence than does a made up name. The small trader often blunders over this question by burdening his business with an ingenious but clumsy made up name when his own name would be far more serviceable.

" Last 4 Ever " Furniture Stores may sound smarter than " Scott's Furniture Stores " but the latter is the better trading name. A little investigation will show an overwhelming majority of proper names among the lists of successful trading companies.

BRANDING THE GOODS.

It goes without saying that a trader should literally " brand " his successful trading lines clearly but tastefully, and repeat the brand name upon every container, wrapper or label that is used in connection with a line.

There are three reasons for this :—

First, the name of the brand is impressed by repetition upon the memory of the purchaser.

Second, the brand is introduced to anyone who sees the article after it has been sold.

Third, the branding will be a safeguard against the retailer's accidentally or wilfully selling another article in substitution for the one advertised.

The average firm has a large number of trading lines, the idea being that the greater the number of trading lines the greater the amount of business that can be transacted.

This policy, like every other policy, can be overdone. It is true that an additional trading line may open a new field of activity to the trader, but it is also true that this new line may clash badly with an existing line and rob the trader of some of his distinctiveness.

It is obvious that if a trader attempts to serve his customers with *everything* they require he is going to be in the same position as the small grocer—he is fetching, not carrying—and his service cannot be distinctive.

Furthermore, by increasing the number of his trading lines the manufacturer is placing himself in competition with firms serving the same customers, and these firms may be short sighted enough to retaliate by copying the manufacturer's leading lines.

Distinctive service is the best insurance against close competition.

There are many very successful manufacturing companies who have only one trading line and one of the most successful multiple shop companies, well known for its tea and margarine, only sells six lines.

LEADING LINES AND SIDE LINES.

Traders usually divide their range of products into leading lines and side lines, according to the volume of sales. Now a trader can be excused for having as many leading lines as he can develop, because sales are the acid test and, whatever the connoisseur's opinion may be, the trader's best line is the one that sells best.

He should, however, keep a close watch upon his side lines, subjecting them to revision at frequent intervals and abandoning the production of any line that ceases to justify its existence.

One of the most interesting tasks I ever carried out was an investigation into the value of the individual trading lines of a well known manufacturer.

He had 61 lines in his catalogue, and after going thoroughly into all questions of trading policy, costs, methods of production, volume of sales and selling prices, I was able to summarise them in the following classification :—

A.	Leading lines, distinctive and profitable, the backbone of the business	5
B.	Distinctive lines that had been leading lines but had lost popularity through changes in public taste, still called for by a number of customers and showing a fair profit	12
C.	Similar lines that were only called for by a few customers, unprofitable ...	7
D.	Distinctive lines, still in the experimental stage, not yet popular or profitable	3
E.	Lines, not distinctive, produced at the request of customers, slightly profitable	10
F.	Ditto, unprofitable	6
G.	Lines produced to meet competition, successful imitations of rival firm's lines, slightly profitable	4
H.	Ditto, unprofitable	3
I.	Unsuccessful attempts to meet competition, imitations not so good as the rival firm's lines, unprofitable ...	11

It will be seen that the classification discloses three separate trading policies.

The lines in groups A, B, C and D were produced in accordance with a sound policy of distinctive development. The only point that can be criticised is the retention of the lines in group C although they were " played out."

ABANDON " PLAYED OUT " LINES.

Such lines should be abandoned unless they are favourites with old and valued customers, in

Commonsense Methods of Business Building.

By CUNLIFFE L. BOLLING,

Author of "Commercial Management," "Sales Management," etc.

I.—How to Develop Successful Trading Lines.

In this series of articles Mr. Bolling will deal with every phase of sales management, including marketing policy, advertising in its various forms, and the employment of salesmen and middlemen.

BUSINESS consists wholly and solely of mutual service and every business man is selling *service*, which may or may not involve a change in the ownership of merchandise.

The traders of the community fetch and carry for the people, catering for their multifarious needs, and the majority of the smaller traders are content to fetch, that is to say to obtain goods that are called for by their customers. The average grocer or tobacconist is a good example of this, for his stock is usually a collection of merchandise purchased on his customers' instructions. Very few of these retailers have a buying policy—they merely buy what their customers demand.

This class of trader is obviously giving a useful service to his customers and therefore fully justifies his commercial existence, but it is only an "existence"—there is little hope of building up a great business or making a fortune without a definite and distinctive trading policy.

FORMULA FOR SUCCESSFUL BUSINESS.

Distinctive service is the formula for successful business and the most common form of distinctive service is that of the man who develops a successful trading line, educates the public to use it and carries it to the consumer.

In practice, he uses press and poster publicity to interest the public in his products and create a demand for them, and he usually employs the wholesalers and retailers to carry these products to the prospective purchaser and demonstrate them before him.

Successful trading lines, sometimes called "proprietary articles" or "brands" are the backbone of our great trading companies.

A brand of tea has built up one great business, a brand of cigarettes has built up another and a brand of wireless sets is building up yet another.

The man who develops a brand need not be a manufacturer. Identity is all important under modern trading conditions and the man who changes the name of an article is establishing a new brand. Raw products may be branded just in the same way as manufactured articles and a Robinson Tomato is just as much a separate identity as a Robinson Fountain Pen.

It must be borne in mind, however, that a successful brand must be distinctive, so that when a raw product is selected for development the brand name must only be used in connection with one grade, quality or style of product. Unless consistency is secured the brand can never achieve success, because people will soon find out that a Robinson Tomato is just an ordinary tomato and nothing more.

A brand itself has no value, and advertising alone cannot build up permanent goodwill for it.

HOW GOODWILL IS EARNED.

The value and gooodwill must come from the merit of the article branded and advertised.

The usual procedure is as follows:—

An advertisement interests a man in a branded article and he buys that article and forms his own opinion of it. If he likes the article he will call for the brand again and probably remain faithful to it so long as it remains consistently good, but if he dislikes the article or is disappointed in it he will avoid that brand in future.

It will be seen from this that flattering advertisements are dangerous and that a producer of indifferent merchandise would be committing commercial suicide by branding his goods.

The need for consistency, of course, applies also to manufactured and partly manufactured goods.

A trader is free to develop several grades, qualities or styles of merchandise, provided that he gives each one a distinctive brand. He can

and the address and other particulars follow, the cards themselves being filed alphabetically. Difficulty is frequently experienced in finding given cards, confusion arises, for example, between *C. Smith* and *O. Smith*, and cards are often misfiled. What can be done to improve matters?

This is a test of Originality because there is nothing that can be learnt from the general principle of System, described last month, nor is there anything in the previous history or methods of the firm to suggest how improvement can be effected. It is a case of thinking of something new. In the actual instance, the improvement which was found to remedy most of the trouble was the simple one of arranging for the cards to be typed instead of written. The clearness of the type in comparison with the doubtful results of pen work by many different people, facilitated accurate filing and extraction and prevented confusion.

The idea was a simple one, but it was original, for the reason that no one in that office had thought of it before, and the fact that the same idea was already in use in many other offices did not make it any less original as far as the clerk who thought of it was concerned.

THE TEAR-OFF PAD.

Originality in the office can be displayed in a thousand different ways. It can appear in even such a small matter as the arrangement of an executive's desk. The man with an original turn of mind will discover his own ways of providing for papers and scissors, filing and current matter, statistics, reports and summaries which he needs to have always handy yet not in the way.

It can be shown in the method adopted for remembering future duties or special jobs which do not recur at any regular interval of time. Originality will suggest an efficient system, suited to the individual circumstances, which may actually be quite novel or may be one which others, faced with the same difficulty, discovered long ago. The writer's own method of keeping in view a number of special jobs which required to be dealt with—some urgent, others less so, and others again which could be left over until a slack time—was to keep a small "tear-off" memorandum pad always handy on the desk, upon which the various items were entered as they arose. The list of outstanding duties was reviewed daily and each one was deleted as it was dealt with. This system was extremely simple but it proved by far the most effective method of dealing with what was otherwise a real problem. It was original because it was the product of one's own thought and was not borrowed from anyone else.

Originality can be most fruitfully employed in connection with office systems and procedure, for it is seldom that there is not some point that can be improved by the adoption of a new way of doing it. This is only natural, for in most firms the nature of the business is constantly changing or its volume increasing, with the result that there must be constant scope for adjustment and alteration in the systems in use, in accordance with the changed conditions. Thus, in the Card Index example given above, the opportunity for the exercise of originality arose because of the growth in the size of the business which had caused the system to become a mis-fit, like a suit of clothes that a man grows too big for.

NOT A MAGIC SECRET.

In spite of this constant opportunity for original thinking on quite simple lines, a very large proportion of office workers will go through the same procedure or deal with the same system month after month without once realising its imperfections or suspecting the possibility of improving it. It is a pity, for they lose, and the employer loses, and no one gains.

There is nothing very wonderful about it, no magic secret to be learnt. It is all a question of sufficient thought, applied painstakingly and thoroughly with the aid of a little observation, an ounce of common-sense, and a sprinkling of the Systematic habit described in last month's article.

It means a little effort, a little hard thinking, a determination not to be always exactly like everyone else. It means striving to be different, endeavouring to improve that which has been seen to be imperfect, struggling to achieve something better. It calls for Patience while the gift slowly develops, and at the same time for a glorious Impatience with everything that is wrong and can be improved. It needs the brake of the quality of Judgment, which will form the subject of next month's article, but in the end it brings joy of achievement when there comes the realisation that one has created something entirely new, something really original.

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the attention of the public and to induce them to buy, and new and out-of-the-ordinary methods must be used for this purpose. We pass so many shop windows in our journeyings, that it has got to be something noticeably different from the ordinary run to make us stop and look. We see so many hundreds of advertisements, that only a few make any impression at all upon our minds. The ones we do notice are those that possess some quality which the rest have not got, i.e., they have Originality and they have been prepared by someone with an original mind.

Although Originality is very essential in the selling side of business organisation, it is not a monopoly of this sphere in any sense, for the same quality is vastly important in many walks of life. The engineer, the architect, the artist and the author are but a few examples quite apart from the profession with which we are immediately concerned, i.e., the administrative side of business.

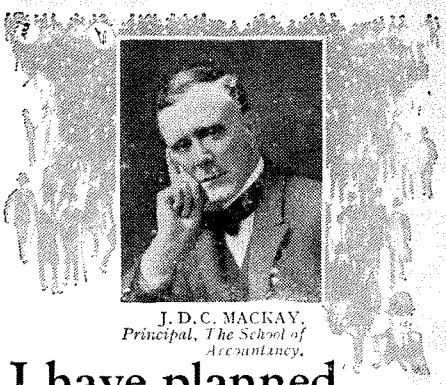
A WORTH-WHILE PROPOSITION.

In the office, the clerk who gets "brain-waves" will always stand out, whatever else he may lack. If, in addition, he possesses a reasonable share of character and accuracy, he will not only stand out, he will also get on, and in a progressive firm he will get on quickly. Any reasonable employer is quick to appreciate that quality in his staff which enables them to think about things in a new way and to do things differently.

Originality, if by any means you can become possessed of a measure of it, is a "worth-while" proposition. It will pay you by making your value apparent to others, for its very essence is that it is striking because it concerns things that are out-of-the-ordinary. Not only will it attract the attention of your superiors but it will also raise your value above that of your fellow workers, for you can produce new ideas while they can give only routine thought on the old routine lines. And after all, success in business means success in competition with others. The young man who makes rapid progress up the ladder of promotion and early in life reaches the high positions of responsibility and trust, is one who has proved himself of greater value and use than those around him. So Originality is indeed worth while, quite apart from its very definite value in making daily work less monotonous by enduing it with new interest.

THE GIRL AND THE INDEX.

An illustration or two from actual office life will perhaps clear the air. A girl is in charge of a customers' card index which was originally of small proportions but has by now grown so considerably that it contains over 40,000 names. The name is written at the head of the cards,



J. D. C. MACKAY,
Principal, The School of Accountancy.

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being, in the case of an agreement between a railway company and a trader, less than five per cent. nor more than forty per cent. below the standard rate chargeable, and for a specified period of time.

IN COMMON PARLANCE.

Boiled down into non-technical language what the foregoing means is this: that every trader who does business with the railway companies must examine his carriage accounts and take such steps as will secure that all those rates which are properly describable as "exceptional" rates are included in a list to be submitted to the railway company with whom he does business, and for a claim to be made for all of these rates—or all of them which come within the five and forty per cent. limit—to be retained on and from the "Appointed Day," a day yet to be fixed, when all the revised rates and charges come into force.

THE IMPORTANCE OF THE MATTER

It will be clear from the language of the section quoted above that unless the readers of this journal prepare such claims for the retention of the exceptional rates and send them into the railway companies, the whole of those rates are likely to be cancelled when the new rates come into force, as the railway company would only be carrying out their legal obligation by effecting such cancellation. The time is not yet opportune for the claims to be sent in, but there is no reason why they cannot be prepared without delay and forwarded to the railway company when a notice to this effect is made.

Some two or three years ago the railway companies instructed all their goods agents to encircle every exceptional rate which was used from that date for a period of two or three years in red ink so that it is an easy matter to find out from the rates books at the goods stations which exceptional rates have been used and which have not.

"DO IT NOW"

Also now that the standard rates have been determined by the Railway Rates Tribunal it is only a matter of arithmetic to work out the rate on any particular commodity between any two points providing the distance is known and this can always be ascertained from the chief goods manager of the railway company if the information does not already appear in the local goods agent's rates book.

One does not wish to over emphasise the importance of this matter but it may be well to conclude with the warning that those traders who neglect to act upon the advice contained in this article may possibly find that their carriage costs have gone up by leaps and bounds after the "Appointed Day."

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When it Pays to Take Risks.

By ALFRED L. WALTERS.

WE British business men get many accusations levelled against us and our methods by people of other countries. Many of these unsolicited criticisms amuse us, a few annoy us, while some cause our eyebrows to shoot up in honest astonishment.

In this article we will deal with one in the latter category. How many British manufacturers would *not* be absolutely astounded if a foreigner said that—we are afraid to take risks in business?

THE SPORTING INSTINCT.

Why, we pride ourselves—do we not?—on our inherent sporting instinct, our natural inclinations to take chances. Of course we do!

And yet—and yet—there are in this great little country of ours many manufacturers who often lose big business by their refusal to take small risks. This is by no means a pleasing statement, but it is a true one.

Many, many times have I been concerned in a proposal that has been turned down by a British manufacturer simply because it entailed a little risk. "No, it's much too uncertain!" has been the usual answer. And this has meant that certain good chances of big business have been "nipped in the bud."

There are in the West End of London several big firms who each represent a number of large department stores in the U.S.A. Periodically buyers from these stores visit England, inspect our wares, place their orders and return to their own country, leaving the rest of the business to their agents—the firms I have just mentioned—who attend to the shipping of the merchandise, the paying of the manufacturers' bills, etc.

Now the majority of these buyers come only once a year. They stay here for only a few days. Thre are several reasons for the brevity of their visits—but there is no need to detail them now.

VALUE OF LIVE AGENT.

It will obviously be seen, therefore, that for the greater part of the year these buyers have to rely on their agents in London to keep them cognisant with conditions existing in the British market and with anything new that is brought out.

Now these agents are not sleepy people and they are ever on the look-out for anything new that is put on the market. With this end in view they are continually scouring the market and they keep in constant touch with manufacturers.

In this way they often come across an article for which they have never had a demand but which, nevertheless, they think would sell well in the States. When they make these "finds" they inform the various stores whom they represent, describing the "find" in question and pointing out its various good points, at the same time quoting the price, the name of the manufacturer, and any other details necessary for the placing of an order without a salesman.

THE BOGEY.

Now sometimes there crops up a bogey, a bogey that makes these agents hesitate about communicating with their stores. And this bogey is, more often than not, caused by the price.

A new article often costs its manufacturers a lot of money to produce, and to make it worth his while he finds that he must either charge high prices or secure big orders. It is when a manufacturer decides to take the former course that this bogey comes into being.

Mr. Agent comes along, finds a new article and tells the manufacturer that he believes that it would sell well in America. Then he goes into the price and finds that it is a little too high to make the article particularly attractive.

The manufacturer points out that he *must* charge such and such a figure on account of the enormous initial expenses he has incurred. When he has sold a certain number he adds, he will be able to reduce his price, but not before.

And as a rule he is adamant. Thus the agent of the American stores finds himself against a "brick wall." The Britisher does stick to what he says. That is a trait for which he is famous. But he can carry it too far sometimes, as I will endeavour to explain I think the best thing to do is to give concrete examples.

TWO MINDS WITH BUT ——

Not very long ago two British firms—keen business enemies!—conceived the idea *about the same time* of putting on the market a popular article at a certain price, a price low enough to allow the stores to sell at a popular retail figure

Eventually both manufacturers sent their salesmen to the London office of a group of American stores, who they imagined would be able to use their goods.

Both salesmen received the same report, viz., that the price was a little too high.

But—pointed out both salesmen—the price had been fixed with the object of allowing the article to be sold at a low popular figure.

THE THINGS IN BETWEEN.

The answer was a polite reminder that

America was some thousands of miles away; that in that country the currency was not the same as in Britain; and that the American authorities had seen fit to impose a high duty on such goods as were being offered. It was explained that the additional expense of duty, freight, etc., would cause the articles in question to land at a figure that would render it beyond the realms of possibility to sell at a popular dollars and cents retail figure

Both salesmen saw and appreciated the sound reasoning of this argument, and promised to talk the matter over with their respective employers, although they added that they were not at all optimistic about getting the price reduced at all.

Eventually they reported that a further cut in the price would be made if an order of certain dimensions *were placed on the spot.*

It was pointed out to each of them that this was quite impossible as the actual buyers had to be written first, and that *even then orders were not definitely assured*, and that these would depend entirely on what the buyers thought of the goods.

ONE TAKEN AND —

Well, one manufacturer refused to reduce his price at all in the absence of an immediate order, but the other eventually agreed to cut his price to the desired proportions, and, as he expressed it, " to take a chance."

Well, the article at its special price filled a long felt need in the U.S.A. and orders flowed in readily. Within a very short while that manufacturer received several orders much bigger than he was in the habit of getting.

He took a risk—and it paid him. The risk was that had he received only a few small orders he would have made little or no profit, owing to the cutting of the price. As it was, however, he received big orders in plenty, and they paid him well. Since then he has been the recipient of many good repeats. Altogether he has good reason to feel thankful that he decided to take the risk.

— THE OTHER LEFT.

The other manufacturer decided to take no risks so no orders came his way.

Taking risks is by no means to be preached haphazardly. Far from it. If we are wise and sound business men we will take as few risks as possible. There are, however, certain times when to take a risk is both sound and wise. (Some orders can be secured in no other way !) When these times come along let us, like true Britishers, take the risks as cheerfully as we take risks in our sports. Above all, don't let people from other countries have any cause to say we are a chicken-hearted lot !

Co-Partnership Schemes.

By WILL MOODIE.

AN editorial on the above subject in the December issue of " Business Organisation " gives rise to much comment, for there is more than one way of sharing profits with the workers.

With personal experience of two methods I can show a comparison, the advantage to the employees in one case being very obviously more attractive than the other one.

The late Lord Leverhulme inaugurated a co-partnership scheme for the employees of all his vast enterprises, and although he may not have been the originator of this sharing scheme, he certainly was a pioneer among employers to divide the profits of the business among the workers.

Each employee, according to years of service, receive a present of so many co-partnership shares —two years of service being the minimum before the shares are handed over. Interest or dividend is paid on these shares each successful year, and, as many recipients allow the money due to them to accumulate, a comfortable little sum may be standing at their credit.

The shares, however, can never be realised at their full value, nor yet can the holder draw any money should he leave the service of the firm, nor can his next-of-kin come into possession should he die. These co-partnership shares, lauded so highly by the holder's friends, or the public in general, may mean to the humbler members of the staffs only two or three pounds actual cash received at the end of the financial year.

CHRISTMAS GIFT.

The second method is the very attractive one adopted by an American banking company, The Guaranty Trust Company of New York. Here, the employee, from the humble office boy to the highly paid manager or executive officer, actually receives in hard cash each year, a definite bonus which is calculated at so much per cent. of his whole year's salary.

Usually before Christmas, an interim dividend is announced, say 10% of his year's salary. Then in the month following (January) when the final dividend is proclaimed, perhaps 22%, the remaining 12% of the year's salary is paid over.

It should be easy for readers to guess which co-partnership plan would appeal most to prospective co-partners.

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CONCILIATION MACHINERY.

No. 8.—BUILDING TRADE.

By J. MURREY,

London Regional Secretary, National Federation of Building Trade Operatives.

The Housing Question since the War has perhaps been the most debated by all classes, with varying objects, and an impression exists that fewer attempts have been made in the Building Trade to promote goodwill between the parties concerned than in some trades. This informative contribution by Mr. Murrey, who speaks as "one having authority and not as the *scribes*," reveals a very definite effort on the part of those engaged, to reach a basis of peaceful negotiation.
—Editor "B.O.M."

TO fully appreciate the present Conciliation Machinery in existence for dealing with disputes in the Building Trade, it must be remembered that, prior to the Armistice period, each trade in the industry had a separate agreement with the employers, mostly local in character, and frequently varying in terms, for each craft. Moreover, many difficulties arose owing to the fact that there was no co-ordinating machinery, consequently each section moved for alterations according to its own point of view.

There was a Conciliation Scheme in existence to deal with these matters and, theoretically, no stoppage of work could take place until the various Boards had dealt with the complaint, but it was a slow-moving machine and, while useful in its early stages, soon proved out of date for dealing with post war conditions. We find therefore, in 1918, that there was a general move towards unification of effort, and the National Federation of Building Trade Operatives was formed to co-ordinate effort and to prevent the

over-lapping of sectional agreements—which had been a constant source of friction. The employers were equally alert to put their house in order, and consequently what was known as the National Wages and Conditions Council was formed. This body was composed of an equal number of employers and operatives on an industrial basis, and all questions affecting wages and conditions in the industry—as its name implies—were referred to it for settlement. Joint Area and Regional Committees were set up under its auspices to deal with problems peculiar to the district, and, arising from the various negotiations that took place, a National Agreement concerning wages, hours, travelling expenses, overtime rates, was reached, which standardised these items and superseded the scores of local district and sectional agreements that had previously operated. This also, incidentally, raised the general status of the men engaged in the industry.

THE IDEAL.

The National Agreement prevented the recurrence of the local stoppages prevalent before, by providing machinery whereby all claims for improved conditions had automatic procedure to adopt to deal with same Local differences were referred to Regional Joint Councils for settlement, and, failing agreement, they were passed to the national body for final decision.

THE VERDICT OF EXPERIENCE.

It may perhaps be difficult for those outside the industry to understand quite what all this means, but it is an achievement to work Conciliation Machinery so effectively that, by agreement, a general standard of conditions has been reached with only one serious stoppage of work in eight years. This stoppage occurred in 1924, and showed that there were flaws in the constitution of the Council. As a consequence, the operatives' side gave notice to withdraw and this resulted in a Special Joint Committee being appointed, whose report has been embodied in a new constitution which establishes the National Joint Council for the Building Industry, and this body now functions. First, nationally, by a Joint Body composed of equal numbers of employers and operatives, not to exceed 40 in all, whose duties are as follows:—

(a) To deal with (1) rates of wages and/or grading; (2) working hours; (3) extra wages; (4) overtime; (5) night gangs; (6) walking, travelling and lodging allowances.

(b) To interpret its own decisions as and when necessary.

(c) To provide for such reference to the constituent bodies as may be necessary in the case of a decision or decisions involving a constitutional amendment, or any other question which the Council wishes to refer to the members of the constituent bodies for approval or otherwise.

(d) To give binding decisions in cases involving variations of the National Working Rules.

(e) To make such further provisions by way of rules or regulations as may appear necessary from time to time

(f) Generally to do all things necessary to furtherance or attainment of the foregoing objects or any of them.

It should be noted that Grading means to deal with applications from either side to increase or decrease the standard rate of wages operating in any district under the National Scale.

REGIONAL COMMITTEE.

Secondly, by Regional Joint Committee, constituted as follows:—

(a) Total membership not to exceed 30, *i.e.*, 15 employers and 15 operatives; provided always that only representatives of organisations directly affiliated to the Council shall be eligible.

(b) Where representation of the industry on the operatives' side is not adequately met by the operatives who are members of the National Federation of Building Trade Operatives, the membership shall comprise one representative of each Operatives' Trade Association which is directly affiliated to the Council, the balance of the representation on the operatives' side to be allotted on an industrial basis by the National Federation of Building Trade Operatives.

THE EMPLOYERS' REPRESENTATION.

Representation on the employers' side to be agreed upon between the parties concerned in each Region, that is, between the Employer bodies who, through their National Associations, are attached to the Council. Should the parties in any Region fail to agree as to the proper representation of the various Employer bodies, or any of them, the matter shall be referred to a Standing Committee, appointed by, and representative of, the Employer bodies attached to the Council, who shall take evidence and give a decision In assessing the value of any claim the Standing Committee shall regard the representation on the Council of any body concerned as relevant.

(c) Where the Regional Joint Committee decide to deal as a Regional unit with variation amendments as provided in the Rules of the Council, the Regional Joint Committees will initiate proposals for such variations and submit same to the National Joint Council for approval or otherwise.

Where it is arranged that such matters be dealt with as area units by Joint Area Committees the Regional Joint Committees will consider the variations initiated by the Joint Area Committees, and submit them to the National Joint Council for approval or otherwise as they may recommend.

Thirdly, as Area Joint Committees appointed by the Regional Joint Committee who will, in that case, define in detail the representation and functions thereof which shall be consistent with those relating to the Regional Joint Committees. Such Area Joint Committees will serve as connecting links between the Regional Joint Committees and the individual members so far as the application of the working rules is concerned, and be responsible for carrying out the working rule agreement applicable to their respective areas, and will initiate proposals for variation amendments and submit same to the Regional Joint Committees.

Summarising the position, it will be seen that there is a complete machine for dealing with Industrial matters by Conciliation methods. The National Body approve the general terms for a Working Rule Agreement, the Regional Committees administrate this, and act as connecting links with the National Body, for adjusting the necessary alterations as circumstances may require in the various local Areas

Outside of this Body there are Joint Committees who meet on questions dealing with Apprenticeship, Housing Shortage and other matters incidental to the progress of the Industry, which all tend in the direction of dealing with the Building Trade Problems by Conciliation instead of Conflict.

The Value of Business Reading

"In hiring men for positions of responsibility," said an executive of a large company, "one of the points upon which I demand information is the extent of the applicant's reading along business lines. The response goes far in assigning the man a rating in my estimation. Lack of time is a reason often proferred to excuse ignorance of the contemporaneous literature of one's chosen field of endeavour.

"A man should make time to read in this direction. Clip a few minutes daily from your perusal of the sporting page and devote this period to solid business reading, and the result will soon show in your pay envelope."

This gentleman was not specifically recommending "Business Organisation and Management," but it certainly applies very forcibly.

Few men who follow the horses expecting results would be so foolish as to neglect the Sporting Columns of their "Daily." Why should a man expect to succeed, in the fullest sense of the word, in his chosen vocation if he neglects to take advantage of the many opportunities which are offered him to strengthen his weak points, and to add more power to his strong ones? Not only why, but *how* can he expect to succeed?

These are days of fierce competition. Nothing that Governments can ever do will prevent the keen man competing with and forging ahead of the slothful one. "Business Organisation and Management" is carefully designed to assist the one, and wake up the other.

If you are a subscriber, read it carefully, and get your money's worth. Having done this, do not fail to share with a friend the advantage which you yourself have gained from so doing. Give him the enclosed subscription form, that he may, like yourself, join the circle of "Business Organisation aspirants."

INDUSTRIAL PEACE.

In our December issue we gave space to a controversy between Dr. J. A. Bowie, M.A., D.Litt. and Messrs. Frank Harty and Harry Valder of New Zealand, upon the plan of Industrial Organisation now being tried in New Zealand, to facilitate which legislation has been passed by the Government of that Country.

These Gentlemen now return to the arena. Their appearance is welcomed by B.O. & M. because, as we have repeatedly stated, this question is not a matter of sentiment, but one for practical Commercial and Industrial consideration, and infinitely more important than invoices and cheques. Without it there will ultimately be neither.—EDITOR.

A New Zealand Plan of Industrial Organisation.

A RIPOSTE

By JAMES A. BOWIE, M.A., D.Litt.

Director, Department of Industrial Administration, College of Technology, Manchester.

YOU will perhaps permit me to express an opinion on the replies to my criticism of the above, which appeared in your issue of December? I should have liked to analyse Mr. Valder's replies point by point, but, from your readers' point of view, it will be desirable to discuss only the main fallacies perpetrated.

It is necessary at the outset to say that I am a strong believer in Co-partnership. It offers, I believe, the only way, and a safe and sure way out of the present morass of strife and waste. This conviction has survived the necessity of struggling with the practical details of its application in a considerable number of actual cases. It is in the light of such experience that I find most to criticise in the New Zealand Plan. Bishops and politicians, in the hazy light of mere sentiment, have glimpsed the plan, and pronounced it good; but, in the crystal-clear light of business, the plan stands revealed as illegal, and, if made legal, unworkable, and, in any case, undesirable, because much more likely to create strife than to allay it.

DOES IT PROVE AN INCENTIVE?

Messrs. Harty and Valder assert that the allotment to the workers of "all profits earned over and above the hire of capital . . . must act as an incentive to greater effort and increased production." Is this true? I maintain that the evidence is distinctly against this claim. Let me quote only one or two authoritative conclusions. In the official British Government Report (Cmd. 544) appears the following cautious summing up of the evidence:—

> "On the whole, it must be concluded that, if the employer looks to a scheme of profit-sharing to stimulate his workpeople to increased exertion, and to maintain the stimulus for a long period of years, he is not unlikely to be disappointed." (pages 27-8).

The American Government Report on this subject states:—

> "Employers disagree greatly as to the results achieved with reference to increasing the individual or collective efficiency of participating employees. In all, only three of them stated definitely that this had been the result. All of these have paid unusually high profit-sharing dividends to their employees in the past." (page 171).

THE LABOUR "SHARES."

The New Zealand Plan proposed to donate "shares" to employees, solely in virtue of, and in proportion to, their service to the company. These so-called shares, however, are to have no capital value, but are to entitle the workers to all profits over a certain standard, and to attend and vote at meetings of shareholders. In their replies to my criticisms, the authors definitely state that "the interests of the capital and labour shareholders are identical." (Foot of p 178).

This is the crux of the whole matter. If Mr. Valder's contention be true, then his scheme is a good one; if false, then it is utterly to be condemned. For with identity of interests, follows increased production, and, even more important, joint harmonious control is rendered possible.

It will be my contention that under Mr. Valder's scheme there would be little or no identity of interests between the two parties, that he introduces many fresh possibilities of friction, and that under the circumstances it would be inviting trouble to give labour any control over the business.

TWO KINDS OF SHARES ANALYSED.

In the first place, there are the following clear distinctions between the two kinds of shares:—

(1) Capital shares have a priority claim on profits. They get a pure interest rate, plus a risk rate, say, 5 per cent plus 4 per cent., making 9 per cent. in all. Labour shares get only any problematic surplus that may remain.

(2) Capital shares stand to benefit by any capital appreciation; labour shares do not.

(3) Capital shares represent a real stake in the business, they represent the ownership of its capital; labour shares do not. Mr. Valder, in the original statement of his plan, contained in a pamphlet entitled "Wanted!! A Practical Solution to Britain's Industrial Problem" admits this explicitly, for he says on p. 12:—

> "These labour shares, for which the qualification is service, do not interfere in any way with the holding of the capital shares, as they have no nominal or capital value."

Again in the same place he adds:—

> "The labour shares thus merely serve as counters for the division of the surplus profits and for a measure of control"

(4) Capital shares were bought for cash, and can be sold at any time for cash. Labour shares, having no capital value, cannot be sold at any time, though, if an employee leaves, he seems to be entitled to a "surrender value" in respect of his "counters." This "surrender value," we are told, "consists of the equity of such shares in the reserve funds." Thus Mr. Valder is driven to the highly inconvenient conclusion that all reserves, being created out of surplus profits which otherwise would have been divided among the holders of labour shares, must be the property of the labour shareholders.

THE CONFLICT OF INTERESTS.

In view of these manifest differences between the two classes of holdings, it is more than difficult to see how the interests of the two parties can be "identical." In truth, the only coincidence between the two classes of shares lies in the arrangement that the labour shares entitle their holders to vote at the shareholders' meetings. And this is the most dangerous kind of identity, because in every other particular the interests of the two parties are in direct conflict, and the vote would mean open warfare in the Board Room. Nor is control an incident in the plan, according to Mr. Valder it constitutes its essence. "Any company adopting the Act and denying the workers any share in control defeats the main purpose of its existence," he says.

Well and good, let us suppose, with a view to discovering this alleged identity of interests, that the capital and labour shareholders jointly control the business. Suppose the question of fixing, or revising the rate of remuneration for capital comes up. Obviously it is to the advantage of holders of such capital that the rate be high, both because it means a high annual dividend, and also because it opens up possibilities of capital appreciation. As plainly the interests of the labour shareholders dictate that the figure be low, because that would mean a higher surplus profit for division among them.

THE ROCKS AHEAD.

But, even if this awkward question were settled amicably, other rocks lie ahead. Suppose no surplus materialises If, as Mr. Valder holds, labour will have worked harder in the hope of securing a fat surplus (and if labour does *not* work harder the whole plan is already condemned), and if, in spite of the extra effort, no surplus matures, what is the reaction on the worker? He sees the capital shareholders coolly pocket their 9 per cent., and he knows that this dividend has been earned by the extra sweat of his brow. The plan may be "based on justice," as Mr. Valder claims, but the employer will undoubtedly have earned his dividend if he can convince labour of this! For the employee will naturally and inevitably, as is testified by many similar cases, feel that he has been defrauded of his just reward, and strife and bickering are certain to result.

Nor will prosperity bring peace Suppose surplus does indeed materialise. The capital shareholders suggest as usual, and in conformity with the growing practice, that part of it be put to reserve. Instead of seeing it all disappear into the pockets of the labour shareholders, they naturally wish to leave some of it in the business to ensure that their maximum dividend is maintained in the future. But labour has quite other interests. In all such cases the attitude of labour is expressed in the phrase:—"Gimme mine *NOW*." What about their identical interests?

(To be continued.)

A New Zealand Plan of Industrial Organisation.

A FURTHER REPLY TO DR. JAS. A. BOWIE

By FRANK HARTY and HARRY VALDER.

DR. James A. Bowie continues his criticism and starts off by stating that " Bishops and politicians, in the hazy light of mere sentiment, have glimpsed the plan, and pronounced it good; but, in the crystal clear light of business, the plan stands revealed as illegal . . . unworkable, and in any case undesirable. . . ." This is strange criticism of a plan which was evolved not by a theorist or professor of Economics, but by a practical business man as the result of 40 years' experience in many phases of industrial activity from manual work to the directing of a large company, and further, which is actually in operation.

That the plan is illegal is undoubtedly a fact for it cannot be put into operation in Great Britain until an Act similar to the New Zealand " Companies Empowering Act, 1924 " is passed by the Parliament here. This surely is not a criticism of the plan but reveals the necessity for similar advanced legislation in this country. As to its being unworkable that is a theoretical speculation not borne out by the practical experience of the companies in New Zealand which have adopted it. Dr Bowie expresses the opinion that the plan is " in any case undesirable, because it is much more likely to create strife than to allay it."

DISTINCTION AND DIFFERENCE.

He then proceeds to demolish the argument that the plan would tend to increase production. Two paragraphs are quoted from British and American Government Reports which refer to CASH profit-sharing enterprises and therefore have no bearing on the question as the N.Z. plan expressly provides that the dividends on Labour Shares may be paid in Capital Shares

This means that the plan goes further than CASH profit-sharing by providing a simple method for employees to acquire Capital Shares.

Further there is more than one way in which profits can be increased :—

e.g , 1. An improved quality of work.
2. A saving of waste.
3. A saving of supervision.
4. Co-operation between " workers."

This depends on the morale of the "workers" and can Dr. Bowie suggest any better way of obtaining this necessary psychological factor than a guarantee that the profits so gained will be reflected in the increased remuneration of each individual concerned and further that such increase may be represented by Stock holdings instead of cash?

Practical results are worth all the theory put together on a point like this, and the experience of the Dennison Manufacturing Co of the U.S.A. a remarkable organisation, similar in many ways to the N.Z plan, has proved to the hilt that by such a method morale is improved and is reflected in increased profits.

" IDENTITY OF INTERESTS."

Dr. Bowie's main contention involves him in a logical error. He quotes us as saying that " the interests of the Capital and Labour shareholders are identical," and then proceeds to assert that if this statement is false, then the plan " is utterly to be condemned." Strictly speaking there can never be an absolute identity of interests There is not a complete identity of interests between Preference shareholders and Ordinary shareholders in the tens of thousands of companies in the world, but this does not mean that they are " utterly to be condemned," for there is hardly a complete identity of interests to be found between two people anywhere. There are areas of mutual interest and areas of conflicting interest.

The expression " identical interests " is technically incorrect, but was used plainly to point out that as far as possible the area of mutual interest would be widened and strengthened The N.Z. plan is therefore to be thrown on the scrap heap merely because it does not bring about the impossible! This reasoning would condemn every plan now working and any plan ever to be evolved in the future.

Dr. Bowie stakes his whole case against the plan on this point and proceeds to define the root causes of friction.

1. " Capital Shares have a priority claim on profits." " Labour Shares get only any problematic surplus that may remain "

Dr. Bowie must be aware that in hundreds of companies the Preference shareholders get a

percentage and the Ordinary shareholders the problematic surplus, and the Ordinary shares may be scattered among all sorts of holders. Is this "conflict of interest" usually so important as to disrupt the company?

It is hard to understand how this can be a *new* cause of friction, for under the present system the Capital Shareholders get all the surplus profits, there being no limit to their remuneration. In the N.Z. plan one great feature is that the capital shareholders, as such, get a limited and predetermined payment and any profits earned over and above go to the "workers." Surely this would tend to remove, rather than create friction, for it can never be too often stated that the functionless owner of Capital receiving the unlimited reward is one of the "plague spots" of our present system and is a most fruitful cause of unrest.

WHO IS A "WORKER?"

Another aspect which Dr. Bowie persistently seems to avoid is that the term "worker" includes everyone who is actively engaged from the top to the bottom and that every year the number of "workers" owning Capital Shares would increase, as a normal procedure anticipated is that the dividends on Labour Shares would be paid in Capital Shares.

2. It is stated that "Capital Shares stand to benefit by any Capital appreciation, Labour Shares do not."

One beneficial result anticipated from the introduction of this plan is the stabilisation of Capital Shares. Unfortunately, not only appreciation but depreciation is a common experience. While the plan would tend to prevent appreciation of Capital Shares by limiting the dividends, the increased goodwill and morale of the workers would lessen the risk of depreciation.

3. Dr. Bowie still persists in maintaining that the service rendered by those operating the company does not represent any "stake" in the business. He infers that only capital holdings can do this.

This is quite wrong for Labour Shares do represent a contingent ownership in the company in much the same way as Ordinary shares. If under this plan a company distributes the surplus profits to the "workers" in Capital shares, not cash, Dr. Bowie's contention about the standing of Labour shares becomes unimportant, because the holders of Labour shares very soon obtain Capital shares, and they become year by year of more and more importance to them, and the "no par" value of the Labour shares becomes of relatively less importance from this point of view.

The Labour shares themselves are "mere counters" but to do what? To represent the individual's share in control and profits according to the quality of the service he renders, and as such constitute in very real manner, a "stake" in the company.

4. Dr. Bowie next states the fact that Labour Shares cannot be bought or sold and proceeds to criticise the provision that a worker leaving the company is entitled to his share in the reserve funds, on the grounds that it is "a highly inconvenient conclusion."

It is no question of "an inconvenient conclusion" but a practical and logical aspect of the plan. Provided that the Capital Shareholders receive their predetermined dividends made up of basic rate plus risk rate, the surplus profits, if any, belong to the Labour Shareholders and any amount placed to reserve is naturally their property. A "worker" on leaving, say after a period of years, would have any Capital Shares acquired through his Labour Share earnings, plus his equity in the reserves, which could be calculated and paid in Capital Shares. Thus his net earnings over and above his wage or salary during the time of his connection with the enterprise, could be represented by Capital Shares, which he could sell or retain as he desired.

THE QUESTION OF "CONTROL."

Dr. Bowie continues by concluding that the above provides sufficient cause for friction and is clear evidence that the two classes of Shareholders have very little, if any, identity of interest, and a vivid picture is painted of an imaginary Shareholders' Meeting where the Capital and Labour Shareholders join in combat.

The first battle comes over the question of the payment to the Capital Shareholders.

Dr. Bowie presumes that the Shareholders are dominated by sheer greed and without any common sense or goodwill. Is this a necessary or fair presumption?

But he forgets that a company starting to operate under this scheme would naturally go slowly regarding the measure of control given to the lower grades of "workers."

Dr. Bowie visualises the scheme full grown at birth and men inexperienced in control and management, being placed in the saddle.

But even if a large measure of control by voting was given immediately to all the "workers," it would no more mean open warfare than votes held now by Preference and Ordinary shareholders mean warfare in present day companies.

(To be continued.)

The "B.O.M." International Service.

A service of practical value to Manufacturers and Exporters seeking new markets for their goods, buyers or agents, and to Importers seeking foreign lines to handle on their own account, or on an agency basis.

Specially written for "Business Organisation and Management"

By C. W. FRERK, V.D.R., M.I.E.S.,

Editor and Manager of "The International Economic Magazine,"

Delegate for the British Empire of "The International Economic Society," "V.D.R." Association of Advertising Men, etc.

EDITORIAL NOTICE :—This Service will prove to be worth many times the subscription price of this Magazine —The Service is FREE to all B O.M. subscribers and advertisers, to whom the addresses to the enquiries will be supplied and queries answered without charge. Non-subscribers are asked to send 2/6 for the complete address "key."

Whilst every care is taken that only enquiries from bona fide buyers or manufacturers are published, the Publishers and the Editor cannot be held responsible for any discrepancies arising out of dealings with the firms whose enquiries are published.

British Manufacturers and Exporters seeking buyers or agents for their goods in foreign countries, and British Importers seeking connections with foreign manufacturers or exporters, are asked to apply for the B O M. Service Form 1, stating whether exporter or importer.

Please do not forget to enclose stamped envelope when writing.

ALL COMMUNICATIONS TO BE ADDRESSED TO : Business Organisation Ltd. International Service, Granville Chambers, Bury Street, Bloomsbury, London, W C. 1.

IT is hardly necessary to refer again to the progress this section is making, and to the increasing attention it is receiving from our readers. Our optimism with regard to Great Britain's chance in the world race for trade is being strengthened this month by the wonderful show at White City, which demonstrates very clearly the efforts that are being made by British industries. They have tackled the technical side with remarkable skill, and there is no doubt that the manufacturers have laid the foundation for successful commercial expansion in the home and overseas markets.

Now for the solution of the marketing problems! It is in this direction where a great deal of spade work has yet to be done. In his remarkable speech at the British Industries Fair dinner at the Mansion House on the 21st of February, the Prince of Wales struck the right note, and showed once again that commercial farsightedness which has earned for him the fully justified title of "Great Britain's Commercial Ambassador." The substance of his speech was on the lines which originated the B.O.M International Service, and we are, therefore, proud of the fact that our aims and objects found a widely broadcast expression in the address delivered by the "Empire's Best Salesman." The two examples of neglect in the British manufacturers' export marketing methods, which the Prince put before his audience, are two of many features with which we are concerned here.

We feel encouraged to put our very heart and soul into this service, and we hope that we may be instrumental in contributing to the progress in British marketing methods, in the same way as our engineers, inventors, and manufacturers have achieved such noteworthy progress, on the technical side of British industrial enterprise.

The "B.O.M." is concerned with the problems of How and Where to market British goods. We feel sure that if our readers will exploit and follow up the many marketing hints and suggestions that are given regularly every month in these pages, they can derive concrete profit from it. But our service does not end with the publication of the various marketing hints and enquiries from abroad; this is only the beginning, the skeleton underlying the world-wide commercial intelligence and export marketing consultancy service we can offer. It rests with our readers to take full advantage of it, by writing to us frequently, putting before us the export problems and queries which confront them. Co-operation, exchange of ideas and experience—that is which we wish to emphasise over and over again.

Let us get down to facts, and make a right start. Enclosed with this issue is a "B.O.M" Service-Form— *a green form applying to manufacturers, shippers, exporters of British goods, who seek to extend or build up their foreign and overseas business* Complete this form and return it to us, so that we can make special efforts to show how we can be of definite practical help in solving your export problems. Don't wait, because the shipping season has already started; take the form out of the magazine *now*, fill it up and let us have it back. Consider for a moment what this means to you! **You will have at your fingers' ends a fully qualified Export Advisory Department, with research men in every country of the world, a department which will enlighten you on marketing possibilities for your products in foreign and overseas countries, tell you how you can adjust your goods and you sales efforts to local requirements, habits, customs and peculiarities, help you fix up connection with foreign and overseas buyers, assist you in finding reliable and active agents or distributors, advise you in language difficulties.**

The last point—language difficulties—should be of particular interest to our readers who are anxious to extend their foreign business. Remember what the Prince of Wales said with reference to a letter he received from a South American friend. We know that there are comparatively few competent linguists available in this country, and it is here again that the "B O.M. International Service" can be of practical asistance.

THE LANGUAGE SERVICE.

We are willing to deal with this language problem in the following manner. We have the man on the spot who knows a dozen languages as thoroughly as he masters his native tongue; in addition he has the assistance of capable men in the various foreign countries, who could revise, correct and draft translations of catalogues, sales-letters, and other promotion literature, in accordance with the requirements of their countries Our readers must realise that it is not enough to make a correct translation of the English text into whatever foreign language is required, even though all technical terms may be correctly given. The text-matter itself must quite frequently be presented in a slightly varying version, in order to appeal to the foreign reader; the lay-out of the text may have to be different, the character of the type, etc. This all contributes to make the literature more successful in its psychological appeal A foreign catalogue properly got up will show your foreign clients that you have taken pains in occupying yourself with the peculiarities of his country, and its population. Our foreign collaborators are research and advertising men who know how to make up printed matter and sales literature to suit their country. When they receive a translation from London, they will not only revise and correct where necessary, they will even go as far as to submit the proof to a local business man, to find out whether or not the translation in question makes the right appeal.

THE FOREIGN CORRESPONDENCE SERVICE.

This is one section of the service we can render. Then there is the daily foreign correspondence which offers many difficulties in a great number of offices, both as regards incoming and out-going mail. Our friends who are interested in this service could send in their incoming mail, which would be translated into English they would then draft a reply, send it along with the necessary letter paper, and the reply could be typed in the foreign client's language, ready for signing and posting. Needless to say our friends' foreign correspondence would be handled in strict confidence and secrecy. Readers who are interested in this service are requested to write and tell us so, stating the average number of incoming and outgoing foreign letters per week or per month, the languages concerned, so that we can submit a suitable estimate for this correspondence service. As regards catalogues, folders, and other sales literature, we would suggest they send along specimens of the printed matter to be translated, stating the language into which the translation is to be made, and we shall submit an estimate for the work.

HOW BUSINESS IS MISSED.

The necessity of appealing to foreign prospects in their own language must no longer be underestimated by British manufacturers. If they only will ask themselves how often they expected a reply or order to a letter or offer they sent out, but got neither reply nor business, they will find that in the majority of cases this was due to the fact that the foreign enquirer was unable to read the letter received

There are quite a number of big business houses in England who send out regularly every month thousands of catalogues and lists in English, without receiving appropriate returns—what a waste! They would save time and money over and over again, if they started in the right way.

OTHER TRANSLATION HOUSES.

Of course, we do not wish our readers to think that we are anxious to make profit out of this suggestion. There are a number of very capable

translating bureaux and independent translators in this country, who we could recommend for the same service Indeed, we think we would be unable to cope with the work if all our readers would avail themselves of our services exclusively. Our main idea in making this suggestion is to point out the great importance and necessity of having sales-literature printed and correspondence conducted in the languages of your foreign and overseas clients and prospects, and we trust our readers will take our advice and get down right away to having their translations put in hand, either through our Service Department, or through any other qualified translation bureau.

Just as a reminder. Complete the enclosed service form and return it to us, so that we can assist you in building up your foreign business.

PROBLEMS OF EXPORT MARKETING.

(Continued from page 324, B O M.—February Issue)

I PROMISED to deal with the problems of how to procure the marketing information and statistics which I referred to as of vital importance to the manufacturer who aims at commercial expansion in foreign and overseas markets.

How are such intangible, unstable, complex things as modern markets analysed?—What about the human element, the vagaries of public taste, the dictates of fashion, the requirements of individual firms, or organisations, the attitude of the retailer, or the consumer—can these be foretold?—Most emphatically, yes!

I mentioned in my last article twelve items of information which an exporter should seek to procure about a new market in which he is interested. The kind of information will, of course, depend to a great extent upon the product he has to sell, but I think that my twelve points cover most of the questions that will arise.

PURCHASING POWER

(1) The first point of my list in the February issue of this magazine, page 323, requires a study of the consumption of the product; it must be found out whether the consumption is increasing or decreasing; it also necessitates a study of the purchasing power of the likely consumers or the particular classes to which the product is most likely to appeal. This study might have to be undertaken area by area, so that the more likely areas can be isolated from the less likely ones.

COMPETITION OF LOCAL PRODUCTS.

(2), (3), (4). These questions hinge very closely on the previous one. Although the demand for the product as a whole might be good, and growing, the brand or make in question might have to overcome such tremendous competition, local or foreign, to secure a firm footing that the returns would cost more time and money to procure than they were worth. On the other hand, the price and quality of the new product might fill a distinct need, or appeal to a special class, and not only might the exporter succeed in capturing a share of the existing market, but actually create a demand in directions where a demand had not existed before.

THE DISTINCTIVE NOTE.

(5), (6), (7). In these days of intense competition something distinctive, either in price, quality, design, packing, flavour, etc., is practically essential if the brand or make is to obtain a share of public favour. It is essential to make a close study of the firms and makes already on the market which we wish to enter. How long the brands have been on the market; their prices, qualities, designs, packing, etc.; the amount of advertising and selling effort put behind each; whether they are native, national or foreign made products; the degree of popularity of each in the minds of the public and the dealer; the weights and/or sizes of the packages generally asked for by the public; whether sold by wholesalers to the trade or direct to the public; the wholesale and retail margins of profit allowed by the manufacturers who are already established on the market; the amount of dealer assistance in the form of bonuses, prize schemes, window displays, showcases, showcards, etc.; delivery and credit terms granted by the competing manufacturers; the size, age and standing of the firms marketing the competitive products; these are all points which have to be examined very closely by the manufacturer who wishes to avoid disappointments and failure.

THE FREIGHT QUESTION.

(8). Find out all you can about the quickest and cheapest routes to your overseas clients; freight and carriage rates, so that you can quote almost accurate time of delivery and prices delivered to your client's warehouse. It is here

where you can frequently score over your competitors who neglect the study of this point. I know of several instances where manufacturers lost overseas orders to competitors simply because they quoted ex factory, or F.O.B. port of departure, although their prices, plus the freightage, would have been lower. The reason is that their competitors made it easy for the overseas buyers to calculate their exact cost, and saved them the trouble of finding out the expense of bringing the cargo to their own warehouses. After all, it is much easier for the manufacturer in England to obtain the freight and insurance rates than it is for the importer in inner India or any other place away from the coast line of an overseas country.

DISTRIBUTION.

(9) This implies a study of the structure of the market. It might be found that various kinds of distribution were adopted for the same product in the same market, and sometimes mixed forms of distribution used for the same product. Whereas in European countries and in some of the more progressive American and Eastern markets we have the same tendency towards specialisation of firms as we have with us, we must realise that in many of the countries in the Near and Far East we meet with a class of business people—so-called traders or merchants, import agents, etc.—who handle everything and anything, and have their own native methods of distribution. It is not always very easy to find the right type of distributor in far away countries, but it is a feature in export marketing which must be paid close attention.

(10) I have already dealt last month with this point by giving one or two examples; certain products require special care in packing and make-up; in certain markets a square tin may be more suitable than a round tin, and there are quite a number of items which would come under this heading.

LOCAL CONDITIONS.

(11), (12) These points are very closely connected with (10) Exporters should study consumer habits, tastes, fashions, regulations and peculiarities appertaining to advertising, packing, etc. It is surprising in these days when most manufacturers are anxious to extend their foreign trade that export managers still do not realise fully the need for studying local needs and conditions. Even the colour of the packing, or label, or poster, or showcard, may have an adverse or an accelerating effect upon sales in certain foreign markets. China is a market in which this applies with particular force. Yellow, being a colour associated with religious observances, is unsuitable for the wrapping or advertising of a branded commodity, but a covering of a red colour, which signifies happiness, is very popular, and, for this reason, one which is likely to increase the sales of the goods among the Chinese. Find out as much as you can about these desires, and habits, and idiosyncrasies of the natives of the country to which your goods are being sent, and adjust your goods, and your selling methods, and your appeal accordingly, and you will find that your efforts will meet with much more attention and a great deal of appreciation.

HOW TO DO IT.

What I have given here is but a meagre outline of the kind of data an exporter will have to procure about a new market, before venturing into the field at all. The next question is, how is an exporter to procure the vital data he seeks?

He should procure as many reference books as he can about the countries in which he is interested, *e.g.*, Census Returns, Commercial Year Books, Board of Trade Returns, Trade Directories, etc. The trade press of the country will also be found helpful, as will be the industrial, financial and marketing columns of the daily press. If he knows any people belonging to the country, or people who have lately been there, he should cultivate their friendship.

UTILITY OF ORGANISATIONS.

He should take up correspondence with the officers of the Department of Overseas Trade, the Federation of British Industries, the Chambers of Commerce, the British Consuls and Commercial Secretaries in the country in question, and that country's Embassy, Consulates and Vice-Consulates in England; he should find out the names and addresses of disinterested and impartial organisations such as manufacturers' agents' associations, importers' associations, mercantile offices, shipping and tourist development organisations, railway and other information bureaux concerned with the foreign country in view. All these have data and valuable information in plenty.

RESEARCH SPECIALISATION.

The work involved in collating and abstracting data and information is, of course, not every man's job, and it is, indeed, not an easy proposition either. Business men in the States have realised this, and they employ experts, market research men, who specialise in this branch of business, and the British manufacturer and exporter will soon have to realise that he has to do the same. **The proprietors of this magazine have now created an organisation in connection with the "B.O.M. International Service" which enables them to get a firm grip on information available about most foreign and overseas**

markets. Our collaborators know the foreign countries, master many languages, and by affiliating our organisation with several important economic and research organisations, and by appointing research men in all important centres abroad and overseas, we are able to gather facts, which are constantly brought up-to-date, and which are of tremendous value to manufacturers and exporters.

We intend analysing every month one potential foreign or overseas market, which we shall illustrate very fully with graphs, charts, tables, statistics, followed by practical marketing hints and suggestions relating to the market under treatment. We shall analyse the marketing methods and potentialities of these markets. Our monthly market analysis shall be both a searchlight and an x-ray to illuminate and diagnose every problem of marketing and distribution, as it will be encountered in the foreign territory we shall operate upon. The searchlight will illuminate the whole broad field, revealing the pitfalls, the snags, the snares and the culs-de-sac, and at the same time showing the quickest and surest road to success; the x-ray will go below the surface of things, and expose the lurking dangers and the signs of future possible failure.

Each of our monthly market analyses will deal fully with the twelve points set out in last month's discussion on Export Marketing Problems, and we feel sure that with these serial market investigations we shall offer some definite practical and valuable assistance to the manufacturers and exporters who wish to extend their trade to the markets we shall deal with.

MARKETING SERVICE.

LATVIAN FOREIGN TRADE.

THE present Latvian Government can record as one of its important successes the treaty made with Estonia on the 5th February. This treaty will bring the Economic Union with Estonia. Until the introduction of the Union a temporary treaty will be made to render possible the duty free exchange of goods produced in the respective countries. The intended Committees will be appointed immediately after the exchange of the ratification documents. With respect to the economic relations with Lithuania it is agreed that closer relations are desirable, and that it will be possible to extend in time to Lithuania the Customs Union between Latvia and Estonia. The Foreign Minister of Latvia considers it essential to make a commercial treaty with Russia. Trade with Russia during the last three years shows the following figures :—

	Exports	Imports
	In million Lats	
1924	4,5 ...	16,4
1925	7,5 ...	10,6
1926	10,2 ...	11,7

In connection with the commercial treaty, arrangements would have to be made in respect to Russian transit via Latvian ports. Russian trade is important for the Latvian transit traffic, so that it is a matter of great significance to develop this traffic. Negotiations have already been initiated with Poland as regards a commercial treaty. It is true that the figures of the balance of trade with that country have not been very favourable for the last three years :—

	Exports	Imports
	In million Lats	
1924 .	4,9 ..	8,1
1925	4,0 ...	10,4
1926	3,4 ...	10,4

Whilst negotiating with the neighbouring countries, negotiations are also taking place with the other European and Overseas States, in connection with the development of Latvian trade. Latvia is a young go-ahead country, well worth paying attention.

FINDING RELIABLE REPRESENTATIVES IN GERMANY.

Manufacturers who are anxious to appoint representatives and agents in the various German cities are advised to communicate with the following two Manufacturers' Agents' Associations :—

(1) ZENTRALVERBAND DEUTSCHER HANDELSVERTRETER-VEREINE, 47, GEORGENSTRASSE, BERLIN, N.W. 7.

(2) VERBAND REISENDER KAUFLEUTE, DIETRICHRING 5, LEIPZIG.

The Secretaries of both these organisations welcome enquiries from manufacturers, whom they are able to bring in touch with a number of very energetic and responsible representatives and travelling salesmen who are open to consider any proposition suitable for the German market.

BUSINESS PROSPECTS IN HONDURAS.

There is a general improvement in the economic conditions of the Central American Republics, among which Honduras seems to be the

most active in establishing business connections with European manufacturers, for the purpose of importing modern machinery and up-to-date appliances for an efficient working of industrial and commercial enterprise.

There is a growing demand for all kinds of modern office equipment, office furniture, typewriters, duplicators, calculating machines, cash registers, ledgers and other commercial books and stationery. Also for electro-technical articles, motors, machinery, agricultural implements, motor-cars, lorries, railway construction and building material.

If manufacturers who are interested in this promising market will send literature in Spanish, with prices quoted C I.F. and inclusive of packing, to the nearest Honduran Consul, he will dispatch the matter to the firms which are open to negotiate with manufacturers of the goods referred to above.

BUSINESS RELATIONS WITH THE ARGENTINE.

The greater the number of contact points which the manufacturer establishes in overseas markets, the better the prospects for his products. We recommend our readers who are anxious to develop trade with the Argentine, to send their Spanish sales literature, together with a Spanish covering letter, in which their special wishes should be mentioned, to the Argentine Chamber of Industry, Commerce and Agriculture. This Chamber will name suitable agents and distributors, and will also publish particulars of the material received, in its official publication. The address of this Chamber is the following :—

CAMERA ARGENTINA DE CULTURA, COMMERCIO, INDUSTRIA Y PRODUCCION, FLORIDA 32, BUENOS AIRES, ARGENTINE.

A NEW MANUFACTURERS' AGENTS' ASSOCIATION IN SPAIN.

It is of interest to manufacturers to know that the commercial travellers and manufacturers' agents of Castellon, Spain, have formed an Association, the address of which is : —

EL COLEGIO OFICIAL DE AGENTES COMERCIALES, CASTELLON, SPAIN.

MANUFACTURERS' AGENTS' ASSOCIATION IN AUSTRIA.

The following are the addresses of the Austrian Associations, which should be made a note of by your Export Manager :—

(1) VEREIN REISENDER KAUFLEUTE, 2 STUBENRING, VIENNA I.
(2) GREMIUM DER WIENER HANDELSAGENTEN 14, WERDERTHORGASSE, VIENNA I.
(3) REFORMVEREIN REISENDER KAUFLEUTE 138, LERCHENFELDERSTR., VIENNA VII

FRENCH ADVERTISING COPY REQUIRES MORE SPACE THAN ENGLISH COPY.

An interesting controversy which has been going on in Canadian business circles for some time, with reference to the space required for French advertisement copy, as compared with the English copy, has induced several Canadian newspapers to induce a special clause in their rate cards The rate card of *La Presse*, Montreal for instance, states :—

"Twenty-five per cent. extra number of words must be added to English text-matter for the increase in the translation into French."

The rate card of *La Patrie*, Montreal, contains this clause :—

"Twenty-five per cent. additional space required on solid-set matter for the increase in the number of words in the translation into French."

ENQUIRIES FOR BRITISH GOODS FROM ABROAD.

MACHINERY AND ELECTRO-TECHNICAL ARTICLES.

Enquirer's Key No

(90) **Brazil.**—Engineering company seeks to represent reliable manufacturers of electro-technical articles, cables, motors; also machinery for the metal-working industries.

(91) **Belgium.**—Wishes to get in touch with manufacturers of electrical heating and lighting apparatus and accessories.

(92) **Latvia.**—Sound Riga firm is open to represent manufacturers of dairying machines and supplies.

(93) **British-India.**—Anxious to co-operate with manufacturers of all kinds of electro-technical articles.

(94) **Guatemala.**—Interested in agricultural machinery and implements.

Enquirer's Key No

(95) **Austria.**—Engineering firm wishes to represent manufacturers of machinery and electro technical material for industrial purposes; well connected with the leading Austrian industries

(96) **Italy.**—Interested in agricultural machinery and implements.

(97) **Argentina.**—Always in the market for wireless goods and electrical appliances and material accessories, etc

(98) **Latvia.**—Importing electrical apparatus, heating and lighting material, fittings

(99) **Italy.**—Seek agencies of manufacturers of self acting pumps, agricultural machinery and technical novelties.

(100) **Japan.**—Always open to consider offers from manufacturers of machinery, machine parts electro-technical appliances, etc.

IRON, STEEL AND METAL-WORKING INDUSTRIES.

(100) **Uruguay.**—Important firm in Montevideo, with branches in Buenos Aires is eager to take over agency of manufacturers of piping, tubing and general installation material, fittings, etc.
(102) **Siam.**—Wish to open negotiations with hardware manufacturers, tool-makers and ironmongers.
(103) **Syria.**—Interested in all kinds of tools.
(104) **Holland.**—Requires agency for iron bedsteads.
(105) **British-India.**—Seek connection with manufacturers of metal goods, hardware and cutlery
(6) **Egypt.**—Estimates wanted for all steel and iron material for construction purposes.
Egypt.—Wish to represent reliable manufacturers of baths, especially enamelled baths, and other sanitary articles.
Norway.—Anxious to get in touch with cutlery manufacturers.
(109) **U.S.A.**—Importing hardware, tools, cutlery
(110) **Italy.**—Reliable firm of agents are open to represent British manufacturers of general hardware (door handles, door knobs, hinges, door fittings and furniture mountings), tools, Sheffield cutlery. Good business prospects
(111) **British Guiana.**—Wishes to import general hardware, tools, cutlery, scissors, pocket knives, razors, rivets, cycle accessories, etc.
(112) **British-India.**—Need good connections with export merchants of Yellow metal and copper sheets.

WOOD, WOOD-WORKING AND BUILDING INDUSTRIES.

(113) **France.** -- Wishes to import wood-shaving machines.
(114) **Mexico.**—Seek connection for importing building material.
(115) **Turkey.**—Building material constantly required.
(116) **Syria.**—Has requirements in building material.

LEATHER AND LEATHER-WORKING INDUSTRIES.

(117) **Egypt.**—Is anxious to represent reliable manufacturers of solid and fancy leather goods, ladies' handbags, etc
(118) **Canada.**—Wish to import goat and sheep skins.
(119) **British-India.**—Importing leather sports goods; seek good agency.
(120) **South-Africa.**—Wish to represent manufacturers of leather goods, ladies' shoes.
(121) **British Guiana.**—Buying kid and other leathers and skins, leather goods, shoemakers' material and accessories
(122) **British-India.**—Seek connection with reliable manufacturers of solid and fancy leather goods

CHEMICAL, PHARMACEUTICAL AND SURGICAL GOODS.

(123) **Uruguay.**—Well organised firm of distributors seek connection with manufacturers and shippers of all kinds of chemicals.
(124) **San Salvador.**—Importing drugs, chemicals, pharmaceutical preparations, medical and esurgical specialities, surgical instruments, perfumeries.
(125) **Latvia.**—Open to represent houses supplying chemicals and fats for the soap and match industries.
(126) **Greece.**—Anxious to get in touch with manufacturers of surgical, medical, chemical, pharmaceutical and laboratory articles and instruments.

PAPER, STATIONERY, OFFICE EQUIPMENT AND PRINTING INDUSTRIES.

(127) **Palestine.**—Wish to buy paper for wrapping oranges.
(128) **Mexico.**—Wants agency for crepe papers.
(129) **Latvia.**—Importing printing papers, newsprint.
(130) **Japan.**—Interested in paper goods and stationery lines.
(131) **Brazil.**—Seeks agencies for office equipment, stationery, school sundries, note books, note blocks, rulers, student's drawing and painting cases, etc.
(132) **Spain.**—Interested in all material for the printing and allied trades.
(133) **Canada.**—Keen on connections with manufacturers of school furniture and all school and scholars' requisites
(134) **Palestine.**—Interested in all stationery novelties and similar lines.

TEXTILE INDUSTRIES, DRAPERY, HABERDASHERY.

(135) **South Africa.**—Woollen shawls, blankets, and other similar lines for the African trade wanted.
(136) **Estonia.**—Suitings, costume materials, yarns, wool and cotton, knitted goods and hosiery, good business prospects.
(137) **Syria.**—Interested in printed cotton cloths.
(138) **British-India.**—Seek to represent manufacturers of knitted goods, yarns and other textile lines.
(139) **Argentine.**—Are constantly open to import silk and art silk goods, ties, tie silks, suitings and costume materials, lining materials, all woollen and cotton goods.
(140) **Germany.**—Anxious to secure agency of reliable manufacturers of English and Scottish woollen materials for ladies' coats

Foreign manufacturers and exporters seeking agents and/or distributors in Great Britain and other countries.

(141) A German manufacturer of chrome-nickeled resistance wires seeks agent who is well introduced with manufacturers of electric heating and cooking apparatus
(142) Important Continental concern making textile motors is anxious to appoint representative calling on textile manufacturers.
(143) Paris dress and shoe fashion studio and publishing company seek energetic canvassers calling on woman and fashion papers, first-class shoe manufacturers and costumiers; an opportunity for alert ladies.
(144) German office machines and equipment manufacturers require active commission agents, preferably well established office equipment wholesalers
(145) Roumanian manufacturer of tin boxes and other articles made of tin seeks agent who can obtain orders for tins, tin boxes, tin cans, etc.

GENERAL.

(146) **Straits.**—Singapore firm seeks to import china and porcelain goods, glassware, enamel and aluminium ware, tools, hardware, cutlery and general lines for stores.
(147) **British Guiana.**—Importing toys, toilet articles, fancy goods, artificial jewelry, mirrors, pictures and picture frames, cheap pocket and wrist watches, etc.
(148) **San Salvador.**—Seeks connection with manufacturers of soaps, perfumes, patent foods and medicines
(149) **Peru.**—Wishes to act as representative for brush and broom manufacturers
(150) **U.S.A.**—Wish to import player-piano rolls, gramophone records, musical instruments and novelties.

THE LEIPZIG SPRING FAIR,

6th to 12th March, 1927.

LEIPZIG fulfils the primary qualifications of a Fair town; it occupies a central position easily reached from all sides. In the old days of the coaching roads, in the days of the railway (*Leipzig possesses the largest station in Europe*), and now in the age of the aeroplane, Leipzig has always been and still is a traffic centre of the first order. Leipzig enjoys a special character among German towns, and it is worth visiting not only on account of its historical past, or the magnitude of its Fair, but also because of its vibrating, creative present.

The Leipzig Fair may truly be designated as a natural and international channel for carrying on a very considerable part of the world's trade and commerce It is the means, year after year, of forming countless new business connections. It provides every visitor with facilities for a full and complete survey of his own particular trade and its allied branches, and it supplies him again and again with new and valuable hints and guidance in every possible direction.

THE BRITISH SECTION AT LEIPZIG.

The British Exhibition (*Leipzig is universal as well as international in its character and appeal*), is housed in the latest and most modern of all Fair Buildings, the *Ringmesshaus*, and we understand that the number of British exhibitors this year has increased by more than 500 per cent. compared with last year. A very good sign indeed! The "Ringmesshaus," which is quite close to the Central Station, has an exhibition area of about 13,000 square yards; it is a seven storey building, fitted with lifts and all the latest modern conveniences. The exhibition stands have permanent fittings; there are also in the building restaurants, waiting room, writing rooms, postal and telegraph departments, a hairdresser's establishment, and a garage.

BRITISH SPORTS GOODS FOR GERMANY.

Germany takes to games. The demand at the last Leipzig Fair for sports goods of all kinds, has prompted the organisers of the Fair to develop this particular section to the full. The German people are going in more and more for such games as tennis, football, hockey, golf, etc and are also becoming very keen on boxin clubs are springing up all over the coun duelling and drilling are giving place to games.

In spite of the fact that British sporting g can easily capture the Continental market, although there was a definite demand for Briti goods of this kind, only a few manufacture from this country were represented. Slazenge and F. A Davis reported that they were ab to compete successfully with the German an other foreign exhibitors. *And there are oth typical British industries which would do wel by exhibiting at the Leipzig Fairs.*

NOVEL EXHIBIT.

There will be a novel exhibit in the shape of a legal stand which is being organised by Dr. George Acker of Bucharest. This stand has been taken with a view to assisting merchants, manufacturers and exporters who deal with Roumania, in regard to any legal questions which they may have in Roumania.

THE TECHNICAL AND BUILDING FAIRS.

These Fairs are held until the 13th of March; they are the largest exhibitions of technical achievements which the world knows, and are accommodated in special exhibition grounds with special railway connection; there are 20 large halls and a large number of open-air stands.

SPECIAL TRAVELLING FACILITIES TO BRITISH VISITORS.

Intending British visitors should apply to the London Offices of the Leipzig Fairs, 1, Gower Street, London, W.C. 1, for information as to travelling facilities, reduction of railway rates, time tables, aeroplane connections, passport and visa facilities, etc. The British Visitors' Meeting Place is in the Hotel Fürstenhof, Leipzig, quite close to the "Ringmesshaus."

Business Organisation and Management is on Exhibition at Leipzig.